GREENLAND MINERALS LTD

GREENLAND MINERALS LIMITED

ACN 118 463 004

CONSOLIDATED FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2019

GREENLAND MINERALS LTD

Corporate Directory

Directors

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

Company Secretary

Miles Guy

Registered and head office

Unit 7, 100 Railway Road
Subiaco WA 6008

Greenland Office

Nuugaarmiunt B-847
3921 Narsaq, Greenland

Home Stock Exchange

Australian Securities Exchange, Perth
Code: GGG

Auditors

Deloitte Touche Tohmatsu

Share Registry

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

Company Website

www.ggg.gl

Contents

The directors of Greenland Minerals Limited ("the Company") herewith submit the consolidated financial report of Greenland Minerals Limited and its subsidiaries ("the Consolidated Group or GML"), for the half-year ended 30 June 2019.

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

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

Principal Activity

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

Review of Operations

The net loss of the Consolidated Group after providing for income tax was $1,052,596 compared to a net loss of $1,493,113 for the previous corresponding period.

Kvanefjeld Project – Optimised Feasibility Outcomes

Through 2017 and 2018, GML has been conducting optimisation of the Kvanefjeld Project with a focus on metallurgical performance and civil design and engineering. These studies built on the 2016 Kvanefjeld Feasibility Study, following the commencement of cooperation with Shenghe Resources Holding Company Limited ('Shenghe'). The outcomes of these studies were finalised during Q2, 2019. The reduction in the capital cost estimate is the result of optimisation studies covering all elements of the Project from the flowsheet to civil construction. The results of individual optimisation studies have been the subject of progressive updates to the market since 2016.

Key Outcomes:

- Capital cost reduced by **40%** to **US$505M**
- Operating costs reduced by **40%**, resulting in unit costs of <**US$4/kg of REO**
- Project has a smaller footprint and lower impacts, while producing more rare earths
- Reduced reagent consumption, and reduced power requirements

Improvements to the flowsheet include a major enhancement to flotation performance (the production of smaller volumes of higher-grade concentrate) and the development of a simpler, more efficient leaching (refinery) circuit. These improvements have been developed under the guidance of Shenghe's experience and expertise in rare earth processing. In combination, these developments significantly reduce the scale of the refinery circuit resulting in substantial cost reductions.

The flowsheet improvements have also resulted in improved rare earth recoveries with the projected output of commercially important rare earths increased to:

- **Neodymium oxide** **4266** tpa (metric tonnes per annum)
- **Praseodymium oxide** **1426** tpa
- **Dysprosium oxide** **270** tpa
- **Terbium oxide** **44** tpa

Average annual by-product output includes:

- **Uranium oxide** **451** tpa
- **Zinc concentrate** **6060** tpa
- **Fluorspar** **12,417** tpa

(prices assumed for by-product credits include: U_3O_8 US$40/lb, zinc concentrate US$1000/t, fluorspar US$400/t)

Civil engineering design and construction costs were also a major focus of optimisation studies. A multi-disciplinary team of specialist engineering firms including **Nuna Logistics, Tetra Tech, PND Engineers** and **China Communications Construction Co**, has contributed to an updated civil design with construction costs reduced substantially (Company announcement March 26, 2019).

The revised civil costs are now estimated to be US$175M including indirect costs and contingency. This is an overall capital cost reduction of US$138M (-44%) of the previous 2016 Feasibility Study. Cost reductions were primarily achieved through substantial reductions in civil earth works for site preparation (company announcement October 22nd, 2018), updated port design by specialist groups, and greater use of local materials.

The updated capital cost estimate of US$505M is transformational for the Project which now has the lowest capital intensity of emerging ASX-listed rare earth projects. In addition, the improved metallurgical performance and increased recoveries have Kvanefjeld well-positioned with the lowest projected unit costs of rare earth production.

Permitting Update

In late June, the Company lodged with the Government of Greenland (GoG) an application for an exploitation (mining) license for the Project (the Application). Confirmation was then received of a formal application lodgement from Greenland's Mineral License and Safety Authority.

In accordance with requirements set down by the GoG, the following supporting documents were included with the Application:

An environmental impact assessment (EIA) for the Project

A social impact assessment (SIA) for the Project, and

A navigational safety investigation study (MSS) for the Project

As required, these supporting documents were prepared and lodged with Greenland's Mineral License and Safety Authority (MLSA) in Greenlandic, Danish and English. Collectively, these documents comprise a mining license application and the Company has received confirmation from the MLSA that an application has been received.

In addition to the formal requirements for an application for an exploitation license, the Company has previously provided the MLSA with a copy of the Project's Feasibility Study and financial model and a copy of the Project's JORC-code compliant ore reserves statement and report.

The MSS, the EIA and the SIA were prepared for the Company by independent expert consultants. The scopes of the both the EIA and the SIA were framed by terms of reference (ToR) that were approved by the Greenland Government in late 2015 after a comprehensive process of public consultation. The assessments, which incorporate contributions from a range of internationally recognised expert groups, have been progressively updated during an extensive period of guidance and review by the GoG over the last three years.

The next step in the permitting process is a period of public consultation in respect of the Application. Over 8 to 12 weeks, interested stakeholders have the opportunity, either directly to the GoG or in public forums, to provide feedback on the Application, which, as appropriate, will be incorporated in the EIA and SIA. The Company looks forward to updating further on the timing of subsequent steps in the licensing process. Senior Company representatives will be travelling to Greenland in the coming weeks to discuss the outlook and next steps in the licensing process.

Participation Agreement with Local Community

In early March, GML entered a Memorandum of Understanding with **Kommune Kujalleq** and **Kujalleq Business Council** establishing the three parties' intention to conclude a Participation Agreement supporting and supplementing the Impact Benefit Agreement (IBA) which will be part of a successful mining licence application for the Company's Kvanefjeld Project.

Kommune Kujalleq, headquartered in Qaqortoq, is the municipal authority for the region of southern Greenland which includes Narsaq and the Kvanefjeld Project areas. **Kujalleq Business Council** is the energetic local organisation representing the local workforce and businesses.

In the Memorandum of Understanding, signed at the PDAC Conference in Toronto on 4th March 2019, the three Parties have agreed to a timeframe and a process for negotiating a Participation Agreement which will cover community capacity development in terms of needs identification and skills development for the local workforce and businesses. The parties have also agreed on the importance of sharing knowledge about local culture and land use practices with the projected influx of Project workers.

The Memorandum is a demonstration of community support for the Project, and a familiarity with the Company that reflects many years of stakeholder engagement. It marks an important step in increased dialogue, as GML works to establish clear toward project timelines with the Greenland Government, which benefits planning for local businesses and stakeholders.

Subsequent to lodging the Mining Licence Application, Company representatives, accompanied by our lead SIA consultant, conducted a series of meetings in Kommune Kujalleq (the Kommune), the municipal authority for the region of southern Greenland which includes Narsaq and the Project. Key findings of the EIA and SIA were presented to the Mayor of southern Greenland and members of the Kommune. A meeting was also held with the Kujalleq Business Council. Community meetings were also conducted in the towns of Qaqortoq and Narsaq.

Strategy Meetings Conducted with Shenghe

In late May, coinciding with the Company's Annual General Meeting, a delegation of senior representatives from Shenghe visited Perth for a series of meetings. The delegation was headed by Shenghe Chairman Mr Hu Zesong. The visit provided the opportunity to review the outcomes of the feasibility optimisation work, and update on the project status in Greenland.

With the main phase of optimisation work completed, the visit provided the opportunity to commence planning the next steps of cooperation between both companies, with a focus on establishing a path to market and the accompanying commercial development strategy.

The outlook for the rare earth sector continues to strengthen, which creates an optimal window for the establishment of new internationally focused, integrated rare earth supply networks. Kvanefjeld is ideally placed to play a key role in future rare earth supply.

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

On the 6th August 2019, the Company announced the placement of 58,333,334 shares at $0.12 per share, raising $7Mil before costs associated with the placement.

On the 8th June 2019, the Company announced the issue of 8,600,000 Employee Performance Rights ("Rights") to be issued to both Perth and Greenland based employees. Each Right can be converted to a fully paid share on satisfying both service and share price vesting conditions. The Service vesting condition requires the employee to remain employed with the Company until 31 July 2020 and still engaged as an employee at the time of vesting. The share price vesting condition requires the Company's volume weighted average share price for 30 consecutive trading days to trade at or above 15 cents, prior to the 31 July 2021 expiry date of the Rights.

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.

Auditor's Independence Declaration

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

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

On behalf of Directors

John Mair
Managing Director
Perth, 11/09/2019

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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

11 September 2019

Dear Board Members

Greenland Minerals Limited

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

As lead audit partner for the review of the financial statements of Greenland Minerals Limited for the half-year ended 30 June 2019, 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

DELOITTE TOUCHE TOHMATSU

Ian Skelton
Partner
Chartered Accountant

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Review Report to the members of Greenland Minerals 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 2019, 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 9 to 18.

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 2019 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 2019 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, 11 September 2019

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

John Mair
Managing Director

Perth, 11/09/2019

Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2019

	Note	30-Jun-19 $' 000	30-Jun-18 $' 000
Revenue from continuing operations			
Other income		35	86
Expenditure			
Directors' and employee benefits		(449)	(422)
Professional fees		(197)	(516)
Depreciation	3	(122)	(50)
Interest – lease liabilities		(14)	-
Occupancy expenses		-	(135)
Share based payments		(38)	(141)
Travel expenses		(51)	(85)
Other expenses		(217)	(230)
Loss before tax		(1,053)	(1,493)
Income tax expense		-	-
Loss for period		(1,053)	(1,493)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Exchange difference arising on translation of foreign operations		(240)	1,826
Income tax relating to components of other comprehensive income		-	-
Total other comprehensive income		(240)	1,826
Total comprehensive income for the period		(1,293)	333
Loss attributable to:			
Owners of the parent		(1,053)	(1,493)
		(1,053)	(1,493)
Total comprehensive income attributable to:			
Owners of the parent		(1,293)	333
		(1,293)	333
Basic loss per share – cents per share		0.009	0.014
Diluted loss per share – cents per share		0.009	0.014

The accompanying notes from part of this financial report on pages 14 to 18.

Condensed consolidated statement of financial position
As at 30 June 2019

		Consolidated	
		30-Jun-19	31-Dec-18
Current Assets	**Note**	**$' 000**	**$' 000**
Cash and cash equivalents	4	4,736	6,702
Trade and other receivables		47	54
Other assets		54	63
Total Current Assets		4,837	6,919
Non-Current Assets			
Property, plant and equipment		828	863
Right of use lease assets	5	563	-
Capitalised exploration and evaluation expenditure	6	86,351	85,292
Total Non-Current Assets		87,742	86,155
Total Assets		92,579	92,973
Current Liabilities			
Trade and other payables		916	655
Provisions		414	391
Total Current Liabilities		1,330	1,046
Non-Current Liabilities			
Lease liability	7	567	-
Provisions		169	160
Total Non-Current liabilities		736	160
Total Liabilities		2,066	1,206
Net Assets		90,513	91,768
Equity			
Issued Capital		365,247	365,247
Reserves		(30,767)	(30,565)
Accumulated Losses		(243,967)	(242,914)
Total Equity		90,513	91,768

The accompanying notes from part of this financial report on pages 14 to 18.

Condensed Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2019

	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 2018	362,823	29,833	4,526	(39,672)	(269,290)	88,220
Net loss for the period	-	-	-	-	(1,493)	(1,493)
Other Comprehensive income	-	-	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
Balance at 1 Jan 2019	365,247	604	8,503	(39,672)	(242,914)	91,768
Net loss for period	-	-	-	-	(1,053)	(1,053)
Other comprehensive income for the period	-	-	(240)	-	-	(240)
Total comprehensive income for the period	-	-	(240)	-	(1,053)	(1,293)
Recognition of share based payments	-	38	-	-	-	38
Balance at 30 June 2019	365,247	642	8,263	(39,672)	(243,967)	90,513

The accompanying notes from part of this financial report on pages 14 to 18.

Condensed Consolidated Statement of Cash Flows

For the half-year ended 30 June 2019

	Consolidated	
	30-Jun-19 $' 000	30-Jun-18 $' 000
Cash flows from operating activities		
Receipts from customers	8	52
Payments to suppliers and employees	(609)	(1,257)
Interest - lease liabilities	(14)	-
Net cash used in operating activities	(615)	(1,205)
Cash flows from investing activities		
Interest received	28	35
Payments for exploration and development	(1,295)	(1,883)
Payments for plant & equipment	(4)	(9)
Net cash used in investing activities	(1,271)	(1,857)
Cash flows from financing activities		
Payments on lease liabilities	(80)	-
Proceeds from issue of shares /options	-	17
Net cash from/(used in) financing activities	(80)	17
Net (decrease)/increase in cash and equivalents	(1,966)	(3,045)
Cash and equivalents at the beginning of the financial period	6,702	10,733
Cash and equivalents at the end of the financial period	4,736	7,688

The accompanying notes from part of this financial report on pages 14 to 18.

Notes to the condensed consolidated financial statements
For the half-year ended 30 June 2019

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 compliances 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 2018, (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 impact of the adoption of AASB16 *Leases* from 1 January 2019 are disclosed below. The adoption of other standards did not have an impact on the Consolidated Group's accounting policies or a material effect on the financial results.

(a) AASB 16 *Leases*

The Consolidated Group has adopted AASB 16 *Leases* from 1 January 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions of the standard. Any reclassifications and adjustments arising from the adoption of the standard have been recognised in the opening balances on 1 January 2019, refer to Notes 4 and 6.

(i) Adjustments recognised on adoption of AASB16

On adoption of AASB16, the Consolidated Group has recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB117 Leases. These leases are for office premises in Perth, Western Australia and Nuuk Greenland and a storage unit in Perth, Western Australia. These lease liabilities have been measured at the present value of the

Notes to the condensed consolidated financial statements
For the half-year ended 30 June 2019

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

remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2019.
The associated right-of-use assets were measured at the amount equal to the lease liability, less accumulated depreciation.
The Consolidated Group did not previously classify any leases as finance leases.

(ii) Summary of lease accounting policy

Set out below are the new accounting policies of the Consolidated Group for the adoption of AASB 16:

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Consolidated Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. The lease term is the current contracted lease term and the term of any lease extension option where there is a likely hood the option to extend the lease will be exercised.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the value of the following lease payments, where applicable:

- Fixed payments, less any lease incentives receivable
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and Payment of penalties for terminating the lease, it the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If the rate can not be determined, the lessee's incremental borrowing rate is used being the rate the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Notes to the condensed consolidated financial statements
For the half-year ended 30 June 2019

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

Payments associated with short term leases, 12 month term or less and leases of low value assets, office IT equipment and similar items are recognised on a straight line basis as an expense in the profit and loss.

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 2018.

Note 3: Depreciation

	Consolidated	
	30-Jun-19 $' 000	30-Jun-18 $' 000
Plant & equipment	(23)	(35)
Buildings	(15)	(15)
Right of use lease assets	(84)	-
	(122)	(50)

Note 4: Cash and cash equivalents

	Consolidated	
	30-Jun-19 $' 000	31-Dec-18 $' 000
Cash at bank	328	406
Cash on deposit at call	2,044	2,926
Cash on deposit	2,364	3,370
	4,736	6,702

Note 5: Right-of-use leased assets

	Consolidated	
	30-Jun-19 $' 000	31-Dec-18 $' 000
Balance at beginning of period	647	-
Depreciation	(84)	-
	563	-

Notes to the condensed consolidated financial statements
For the half-year ended 30 June 2019

Note 6: Capitalised exploration and evaluation expenditure

	Consolidated	
	30-Jun-19 $' 000	31-Dec-18 $' 000
Balance at beginning of period	85,292	77,736
Add:		
Exploration and/or evaluation phase in current period:		
Capitalised expenses	1,295	3,605
Effects of currency translation	(236)	3,951
Balance at end of period	86,351	85,292

(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.

(iv) In June 2019, the Consolidated Group lodged with the Government of Greenland an application for an exploitation (mining) license for the Kvanefjeld project. The application included the environmental impact assessment, social impact assessment and navigational safety investigation study for the project.

Table of exploration licenses held at 30 June 2019

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

Notes to the condensed consolidated financial statements

For the half-year ended 30 June 2019

Note 7: Lease liability

	Consolidated	
	30-Jun-19 $' 000	31-Dec-18 $' 000
Balance at beginning of period	647	-
Interest on lease liability	14	-
Lease payments	(94)	-
	567	-

Note 8: Subsequent events to balance date

On the 6th August 2019, the Company announced the placement of 58,333,334 shares at $0.12 per share, raising $7Mil before costs associated with the placement.

On the 8th June 2019, the Company announced the issue of 8,600,000 Employee Performance Rights ("Rights") to be issued to both Perth and Greenland based employees. Each Right can be converted to a fully paid share on satisfying both service and share price vesting conditions. The Service vesting condition requires the employee to remain employed with the Company until 31 July 2020 and still engaged as an employee at the time of vesting. The share price vesting condition requires the Company's volume weighted average share price for 30 consecutive trading days to trade at or above 15 cents, prior to the 31 July 2021 expiry date of the Rights.

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 9: Dividends

No Dividends have been paid or proposed during the half-year ended 30 June 2019.