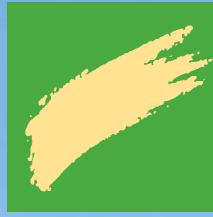


# Annual Report 2007



*Greenland Minerals  
and Energy Ltd*  
ABN 85 118 463 004









**DIRECTORS**

Dr. Hans Kristian (Hank) Schönwandt  
Mr Roderick McIlree  
Mr Simon Cato  
Mr Jeremy Whybrow  
Mr Malcolm Mason  
Mr Simon Stafford-Michael  
Mr Tony Ho

**COMPANY SECRETARY**

Mr Bruce Acutt

**BUSINESS OFFICE**

Ground Floor  
33 Colin Street  
West Perth, Western Australia, 6005  
Telephone: +61 8 9226 1100  
Facsimile: +61 8 9226 2299

**WEBSITE**

[www.ggg.gl](http://www.ggg.gl)

**SOLICITORS**

Fairweather & Lemonis  
Level 9  
172 St Georges Terrace  
Perth, Western Australia, 6000

**GREENLAND SOLICITORS**

Nuna Law  
Qullilerfix 2, 6  
Post Box 59  
3900 Nuuk, Greenland

**AUDITOR**

Mack & Co  
Level 2  
35 Havelock Street  
West Perth, Western Australia, 6005

**SHARE REGISTRY**

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

The formal accounts to June 2007 are attached to this report. As these accounts refer to the period before the changes of activities they do not reflect the current financial position of the company.



## Introduction

Greenland Minerals and Energy Limited is an exploration company with a majority interest in an advanced multi element exploration project in Greenland.

The Company called a comprehensive shareholder meeting held on the 31 July 2007 to approve the acquisition of a joint venture interest (now 61%) in our Kvanefjeld project as well as a number of ancillary resolutions relating to raising capital, changes to the board and issues of shares and options to a number of parties including directors. All resolutions were passed at the meeting.

The Company considers this project as being one of the most exciting multi-element deposits in the world.

## The Kvanefjeld project

The Kvanefjeld project, ("the project") is located on the south west tip of Greenland (Figure 1) and is one of the largest undeveloped multi-element occurrence of Niobium-Tantalum-Fluorine-Uranium and Rare Earth Oxides (REO) in the world.

The project has been the subject of numerous published scientific papers written by bodies that include Danish and Greenlandic governmental agencies, and independent scientific researchers since 1959 including the OECD International Atomic Energy Agency (IAEA).

The project has been extensively explored in the past including but not limited to more than 11,000 metres of diamond drilling, bulk metallurgical testing, a one kilometer exploratory adit, mapping, radiometrics and surface sampling.

From June to October in 2007 the Company has carried out its own program which resulted in another 10,000 metres of diamond drilling as well as a major helicopter borne radiometric program.

The exploration drilling carried out by ourselves this year to date have only been tested for uranium, thorium and potassium as these results are available immediately, however core from samples are being transported and prepared for testing for a suite of other minerals known to be associated with the project.

The results to date are extremely promising, identifying major mineralised zones of Uranium which is known to be associated with other minerals and acts as a pathfinder mineral in the deposit. A full description of the exploration results follows in this report.

## Title issues

It is currently not possible to receive a mineral license for the exploration or exploitation of uranium in Greenland. Therefore, the license does not include uranium as a commodity. Although uranium is not on the license we are not prevented from exploring for uranium as part of our multi element exploration program. Based on a memorandum on Policy and Practice of the Bureau of minerals and Petroleum, Greenland ("BMP"), concerning exploration and exploitation of uranium and other radioactive elements issued by Nuna Law, a Greenland law firm with mining law expertise, and other information obtained, the directors believe that uranium may be exploited as a by-product subject to normal conditions of any exploitation license and subject to approval by the BMP. The Company has to apply to the BMP for such an approval. The Company has not applied for such an approval and BMP has not issued an approval. We stress this is a possibility and not a legal right. This memorandum is set out in full in the prospectus dated 26 July 2007.

The directors believe that the current primary ban on uranium exploration may receive consideration by the relevant authorities in the near future because many governments are considering lifting such bans due to the shift in sentiment towards nuclear energy in general.

## Financial position

We currently have more than \$10,000,000 on deposit after meeting the costs of acquiring our initial 61% interest and the 2007 exploration program. This is more than sufficient for the 2008 program, however as foreshadowed in the notice of meeting prepared for the 31st July 2007 shareholders meeting, the board will retain a flexible approach to ensure we always have sufficient funds for our activities.

## Summary of 2007 season

The board is very pleased with the success of the 2007 exploration season.

In a very short space of time we finalised both an exhaustive corporate program of acquisition, shareholder approvals and capital raisings, while running, partly in parallel a major exploration program in Greenland which resulted in 43 holes most of which were in excess of 200 metres deep and some down to nearly 400 metres.

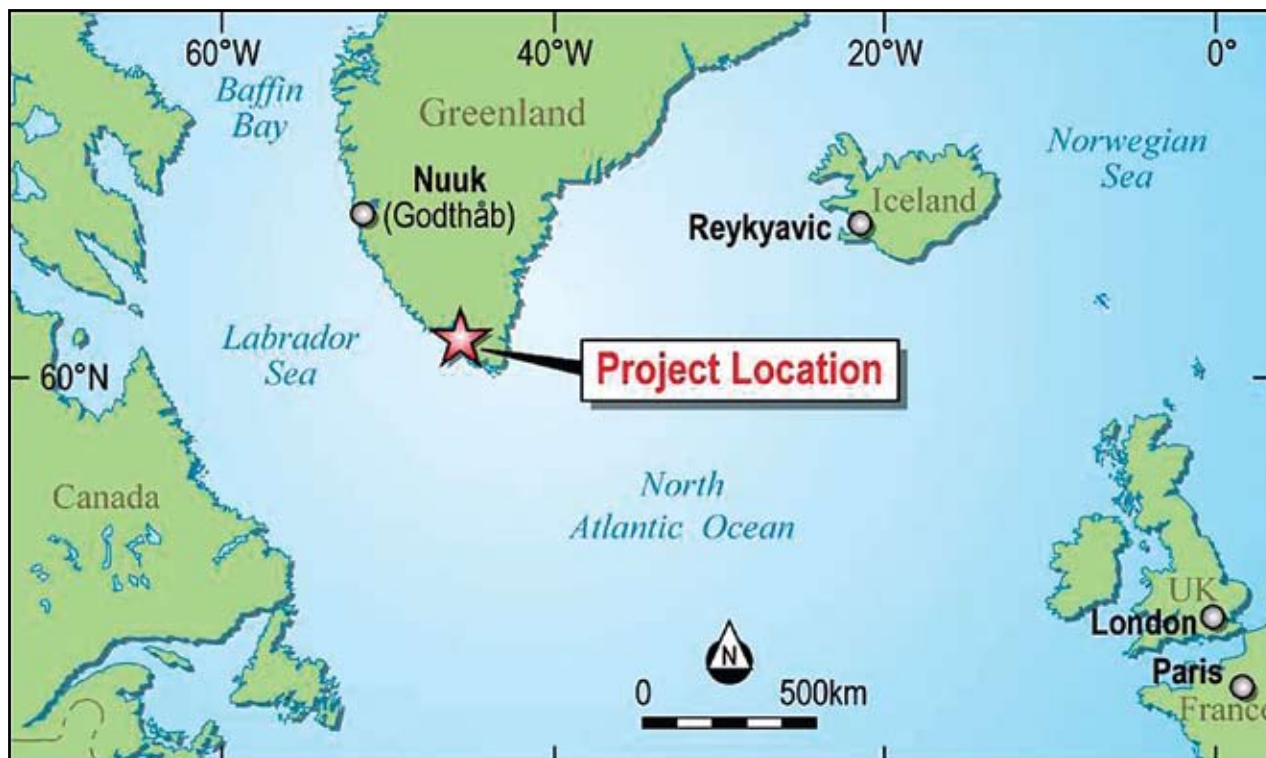


Figure One : Project Locality Map

Additionally we commissioned, calibrated and deployed an ultra-modern spectral probe to analyse the holes we drilled as well as 21 previously drilled holes.

### People

As Chairman it falls to me to pay tribute to the immense amount of work done by our employees and our board this year. Three of our directors spent long periods overseeing and completing the vital exploration we carried out this year in Greenland, others had roles in the capital raisings and in document preparation. We can underline the contribution of our directors by the fact that we have only one full time employee who is not a director.

The success of the exploration program also hinged on the support of the people of Narsaq, who welcomed us to their town, provided accommodation and many services. Townspeople were also active in our operations.

Our service providers in Greenland provided drilling crews, equipment, helicopter access and logistic support to an

international standard. Clearly our exploration program could not have been completed on the scale and within the 5 month time frame without their support.

### The 2008 season

We are looking forward to the 2008 season. Reviewing the achievements of the 2007 season, which were attained from a virtual standing start, we believe we have an excellent base for a major exploration push next year. Our goals will be to follow up our Kvanefjeld project resource confirmation and expansion drilling with a considered regional program.

Mr Hank Schönwandt  
(Chairman)

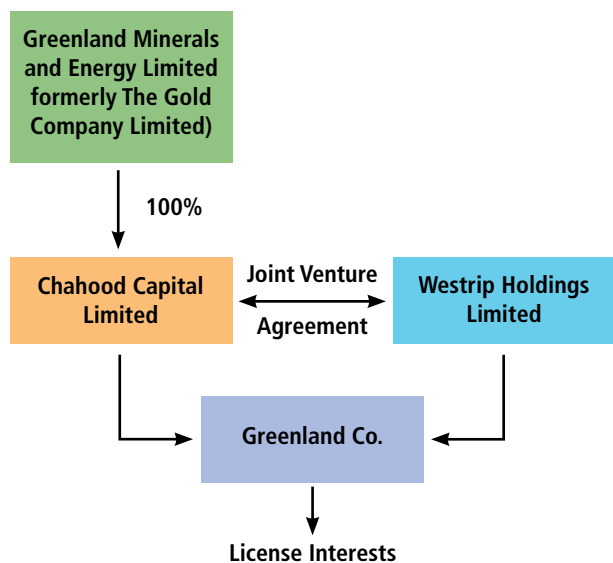




The Company has acquired its interest in the project by acquiring 100% of the shares of Chahood Capital Limited ("Chahood") under a share sale deed and becoming a party to a joint venture agreement with Chahood and Westrip Holdings Limited ("Westrip") under a deed of assumption. Westrip's wholly owned subsidiary, Rimbai Pty Ltd ("Rimbai") held an exploration license (EL2005/17) covering an area including the project area. The joint venture agreement establishes an unincorporated joint venture to explore for and mine the multi-element occurrences in an area of interest within EL2005/17. Chahood will manage the joint venture.

This EL was split into EL2005/28 and EL 2005/29. The new exploration license EL 2005/28 will be transferred to a Greenland company that has been incorporated ("Greenland Co"), which the joint venture parties will own in accordance with their joint venture interests. Transfer of the new exploration license in favour of Greenland Co has been applied for and such a transfer will be subject to BMP approval.

Set out below is a diagram detailing the corporate structure after completion of the acquisition of Chahood, the assumption of rights under the joint venture agreement and the transfer of the new exploration license in favour of Greenland Co.



The key terms of the acquisition of Chahood and its interest in the Joint Venture are:

- Issue 35,000,000 shares to the shareholders of Chahood to acquire 100% of Chahood and thereby assume the rights under the joint venture.
- Staged payments (or reimbursement of Chahood for the first A\$1,000,000 payment) consisting of the following:
  - o A\$1,000,000 for 21% of the project
  - o Further staged payments equalling A\$2,000,000 and the issue of 30,000,000 shares to Westrip for the acquisition of a further 40% thereby taking the stake in the project to 61%
  - o An additional payment of A\$2,000,000 and 10,000,000 shares conditional upon either of:
    - The authorities approving an exploration license for Uranium in favour of Greenland Co in the area of interest; or
    - An exploitation license being granted to the Greenland holding Company conferring the exclusive right to mine for uranium, whether as a by-product or otherwise, in the area of interest.
  - o Payment of A\$10,000,000 worth of shares or cash or a combination of cash and shares to increase its holding to 90% of the project.
  - o Payment of A\$50,000,000 to move to 100% of the project.

By the joint venture agreement there are various exclusive and reciprocal rights concerning minerals as detailed below.

To the extent permitted Westrip grants to Chahood an exclusive right or license to explore for beryllium, lithium, uranium or sodalite on any part of EL2005/29.

With effect from the transfer of the new exploration license to Greenland Co, Westrip is granted a license, on substantially the same terms as the license granted by Westrip to Chahood above, to explore for zirconium, tantalum, rare earths and niobium on any part of the new exploration license.



Westrip and Chahood have a right of first refusal to purchase certain minerals from the other prior to a sale to a third party. Westrip has a first right of refusal to purchase zirconium, tantalum, niobium and rare earths from Chahood and Chahood has a first right of refusal to purchase beryllium, lithium, uranium and sodalite from Westrip.

The joint venture agreement also provides that Westrip, Chahood and Greenland Co must, prior to commencing mining operations, enter into an off-take agreement providing for the sale to and purchase by Westrip of any rare earths mined within the area of interest and otherwise in accordance with key principles set out in the joint venture agreement, which include, Westrip paying to Greenland Co the consideration it receives upon the on-sale of the rare earths less a fee of 5% and less Westrip's on-sale costs. The 5% fee payable for the sale of rare earths to Westrip will be reviewed after 3 years of production, which will be the term of the off-take agreement. Westrip was also entitled to a 5% royalty on the project.

The Company has also entered into a corporate advisory agreement with Gravner Limited for corporate advice on future capital raisings, acquisitions and company promotion for a 3 year period with a retainer of \$20,000

per month. The agreement only commences upon completion of the acquisition of all the shares in Chahood. Gravner will be entitled to up to 100 million options and 30 million shares to be issued when the share price of the Company reaches agreed milestones, of which 75,000,000 options and 15,000,000 shares have been issued as at the date of this report. Gravner also has the right to a 5% success fee (based on the equity value of the transaction) in the circumstances of a sale of the assets of the company or a takeover.

### Changes to the Board and management

After 23 August 2007 the board consists of:

- Mr Hank Schønwandt (Chairman)
- Mr Roderick McIlree (Managing Director)
- Mr Simon Cato (Executive Director)
- Mr Jeremy Whybrow (Exploration Director)
- Mr Malcolm Mason (Technical Director)
- Mr. Tony Ho (Non Executive Director)
- Mr Simon Stafford-Michael (Non Executive Director)



## Table Of Significant Events

	Corporate Event	Exploration Event		
		Drilling	Geophysics	Other
Dec-06	Initial intention to consider the acquisition			
Jan-07	Due diligence and contract preparation			Collect historical data
to	Preparation of geological report			Aerial photography and DTM acquired
Apr-07			David Wilson (specialist at spectral logging) employed	Compile exploration program
May-07	Contract signature and announcement of acquisition intention		Auslog commissioned to supply Spectral tools	Initial recon trip to Greenland
	Re quotation of the company	Old holes located, new holes sited		
	Exploration services agreements signed			
Jun-07	Preparation, approval and issue of the notice of meeting			Camp established, field operations commence
	Organisation of the 8,800,000 share issue at \$1.00 per share	First rig arrives and drilling commences		Radiation safety measurement badges distributed
Jul-07	Preparation, approval and issue of the prospectus	Second drill arrives	Down-hole spectral logger arrives in Greenland and logging begins	
	Shareholder approval			
Aug-07	Settlement of the capital raisings and the acquisitions	Cumulative 5,000 metres drilled	Aerial Geophysical survey commences	
	Requotation as Greenland Minerals and Energy Limited			
Sep-07				
	BMP agrees to allow access to old core			
Oct-07		Cumulative 10,000 metres drilled		Last samples dispatched to Perth
	H&S contracted to complete resource estimation	Drilling ceases 42 holes drilled	Down-hole spectral logging ends	





## Operations at Kvanefjeld - 2007 field season

Field operations commenced on 1 June 2007 with the first drill rig arrived. Unpacking, construction and transporting of the rig were completed and the first core recovered by the 15 June. A second drill rig arrived several weeks later. Drilling operations were completed on the 4 October and all equipment dismantled, transported to Narsaq and stored until the 2008 season.

In all 43 holes were completed for a total of 10,022m of drilling. This is reputed to be the largest single season programme of diamond drilling ever undertaken in Greenland.

Previous drilling programmes in 1956, 1962 and 1977 had delineated mineralisation in two areas termed the "Mine Area" and the "Northern Area". The "Mine Area" has been drilled in an irregular pattern at approximately 50m spacing to around 100m depth. The "Northern Area" was drilled on a more regular pattern with holes nominally on a 160m x 160m pattern. Almost all holes reached 200m below surface.

Field reconnaissance in early June recovered all but one of the 70 pre-2007 diamond drill-hole collars. Holes drilled in 1958, all in the "Mine Area", were uncased open and generally found to be blocked near surface. Holes drilled between 1962 and 1977 were secured with steel-casing and steel caps bolted on. Almost all of these holes were open and suitable for down-hole spectral radiometric logging.

It was determined that data from these holes would be available by access to the original core held in Riso in Denmark and/or from radiometric spectral logging carried out with a "state of art" new spectral logging system being constructed by Auslog (domiciled in Brisbane).

The main objective for the 2007 programme was to collect sufficient data to enable a Resource Estimate to JORC standard to be carried out on the joined and expanded "Mine Area" and "Northern Area". This would allow comparison to the resource estimates carried out pre-1981.

In addition drilling was to extend into untested areas in order to delineate new areas of mineralisation and hence add to the already significant resource base.

This was to entail drilling:

- between (joining) the "Mine Area" and "Northern Area" and
- Extending the area to the south (abutting both "Mine Area" and "Northern Area").
- Below (to 200m below surface) the shallow historical "Mine Area" drilling pattern.

Discussions and investigation of historical data in conjunction with Hellman & Schofield (Resource consultants – based in Perth) indicated that a nominal pattern of drill holes at 80m spacing on lines 160m apart would allow a Resource Estimate with much of the resource reporting to at least the Indicated category.

As drilling progressed it became obvious that mineralisation was more extensive than originally appreciated. Many of the holes were completed in mineralisation. It was therefore determined that where possible drill holes would continue to depth without jeopardising the original drill plans. A nominal spacing of 160m x 160m of deeper intersections would allow estimation of the deeper mineralisation and inclusion in the Resource Estimate; probably in the Inferred Category.

Mid-season a low level helicopter borne spectral radiometric survey was undertaken. The survey, with a line spacing of 100m over Kvanefjeld showed significant anomalies extending to the south-west for at least 1,000m. Clearly an important development it was decided that drilling should extend into this area to allow inclusion of this mineralisation into the Resource Base as well. With a spacing of between 150m and 250m any mineralisation so delineated would report to the Inferred Category.

To the credit of all personnel, consultants and service providers all of these objectives (original and later inclusions) were attained within a short field season where weather proved more trying than in previous years.

A total of 32 holes completed drilling the "Mine Area", "Northern Area", the area between them and the area immediately abutting to the south. Three holes tested the "Mine Area" deeps. Eight holes drilled the new "Campsite Area" to the south-west.

The newly constructed Auslog Spectral logging system arrived on-site in July after successful testing and calibration in Adelaide test-pits. Radiometric logging

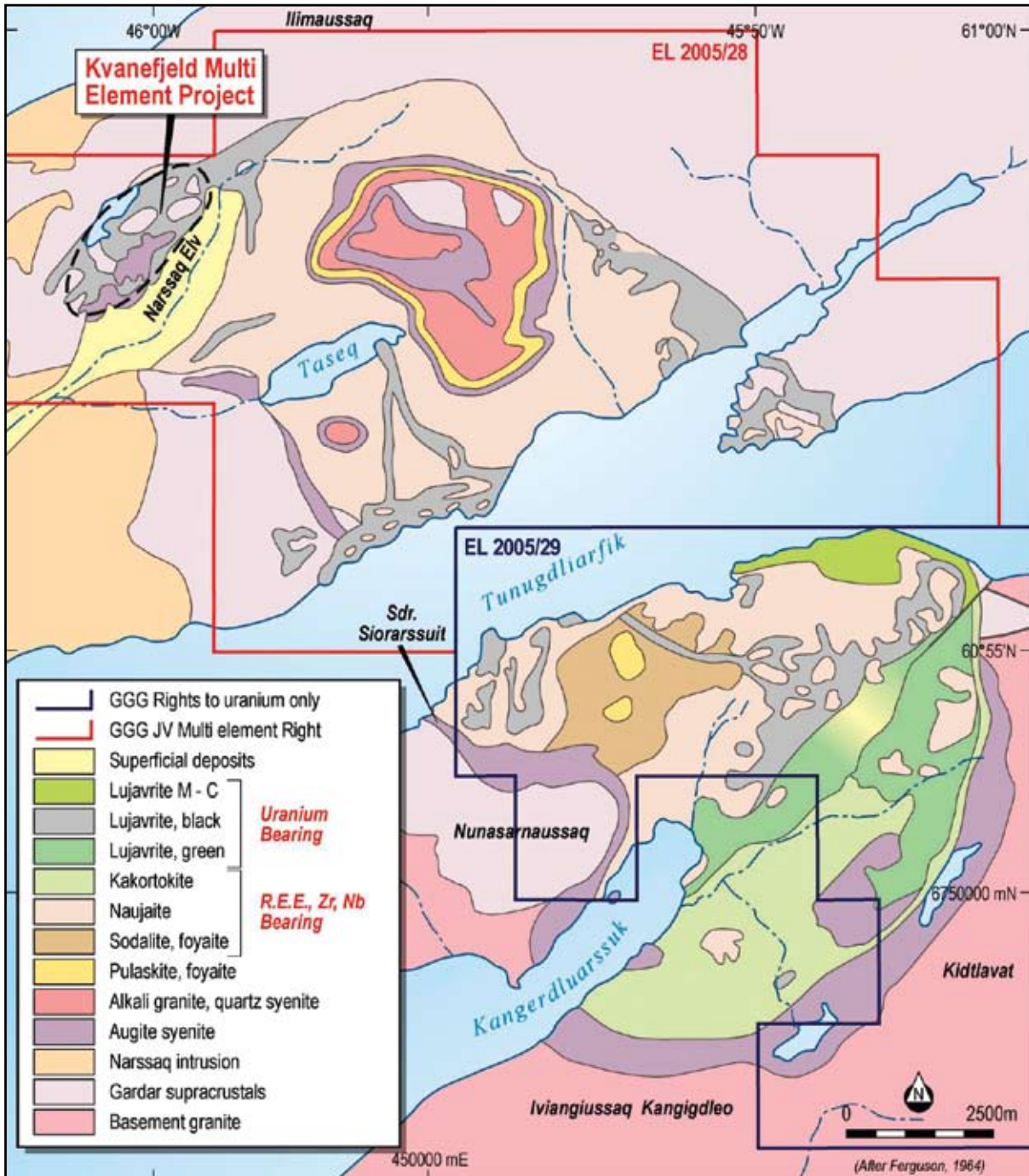


Figure Two : Project Geology



continued with success through to the 14 October when all equipment was brought to the Narsaq office, checked and stored ready for the 2008 season.

Apart from a few holes that were inaccessible, logging was completed to full depth down all holes drilled in the 2008 season.

Perhaps even more significant was the successful logging of many of the 1960 – 1977 drill holes. At 46mm these were significantly smaller in diameter than the 56mm holes of this year's campaign. The specifically designed 33mm probe proved an ideal tool with 21 holes being logged. The results from these historical holes will allow comparison to logging carried out by past operators and more importantly inclusion of these holes into the resource estimate currently underway.

Geological logging was completed for all drill core. All logging was under the direction of one person to ensure consistent interpretation. The understanding of the geology was significantly advanced during the season ensuring that interpretation between holes be accurate and consistent resulting in a robust geological model; which would be used in the resource estimation. This knowledge will prove most valuable during the re-logging and sampling of the historical drill core.

Routine colour photography was completed on all holes drilled and are of sufficient quality as to allow re-interpretation of any core where questions may later arise.

The bulk density of mineralisation (and to a lesser extent country rock) needs to be accurately known in three dimensions. Some sections of the Multi-element mineralisation include significant quantities of villiaumite (NaF, sodium fluoride). Since NaF readily dissolves in water and is strongly corrosive sections of the core are not amenable to measuring bulk density by the wet and dry method. A dry method involving a micrometer screw gauge and very careful measuring the length and diameter of the core was devised and routinely employed. The method was checked where both methods were possible and found to return values to within a few percent of each other. Multi-element mineralisation occurs in various types of Lujavrite and mixed zones adjacent to country rock. Country rock was essentially basic extrusive that varied from near pure feldspar rock to standard basic rocks. As the percentage of feldspar increased the bulk density decreased from 3.1 approaching 2.7.

Geographic location of data is of paramount importance. Routinely locations were picked up by hand held GPS. Once sites were permanent (such as drill hole collars) their location was picked up by the companies RTK (real time kinematic) DGPS. An accuracy of a few cm was attained; ensuring quality control of the data used in Resource Estimation and other requirements.

### Results for the 2007 Season

Significant mineralisation has been drilled in all holes (including historical holes) and no hole has tested the limits of the mineralisation.

No hole has intersected a "base" to the mineralisation. Multi-element mineralisation is open-ended beneath all of the known mineralisation (ie beneath all of the holes drilled to date).

The single longest mineralised intercept ever recorded at Kvanefjeld was made this year in K099; which was mineralised throughout its entire length. It finished in mineralisation and carried an average of 534ppm  $U_3O_8$ esp over 232.3m.

Higher grade zones are present as exemplified by K108; which intersected 66.5m @ 843ppm  $U_3O_8$ esp.

The "Mine Area", "Northern Area" and areas between and to the south have now been drilled out to a nominal spacing of 160m x 80m and  $U_3O_8$ esp values will be available for the Resource Estimate at a similar spacing. The grades and intercepts made by the 2007 drilling in these areas are in line with historical results.

A major south-west extension to the mineralisation has been discovered called the "Campsite Area". Available results from 4 of these holes showed they intersected on average 97m of multi-element mineralisation and intercepts of up to 20.9m averaging 560ppm  $U_3O_8$ esp.

Multi-element mineralisation has now been intersected over an area 1,900m x 700m and to a depth of between 200-300m. The new areas of multi-element mineralisation are similar in grade, widths and style. That is all mineralisation intersected to date are contiguous and part of one large mineralised body, this can be seen in the attached long-section. The original resource estimate areas of the "Mine Area" and "Northern Area" mineralisation has almost been doubled by this years drilling.



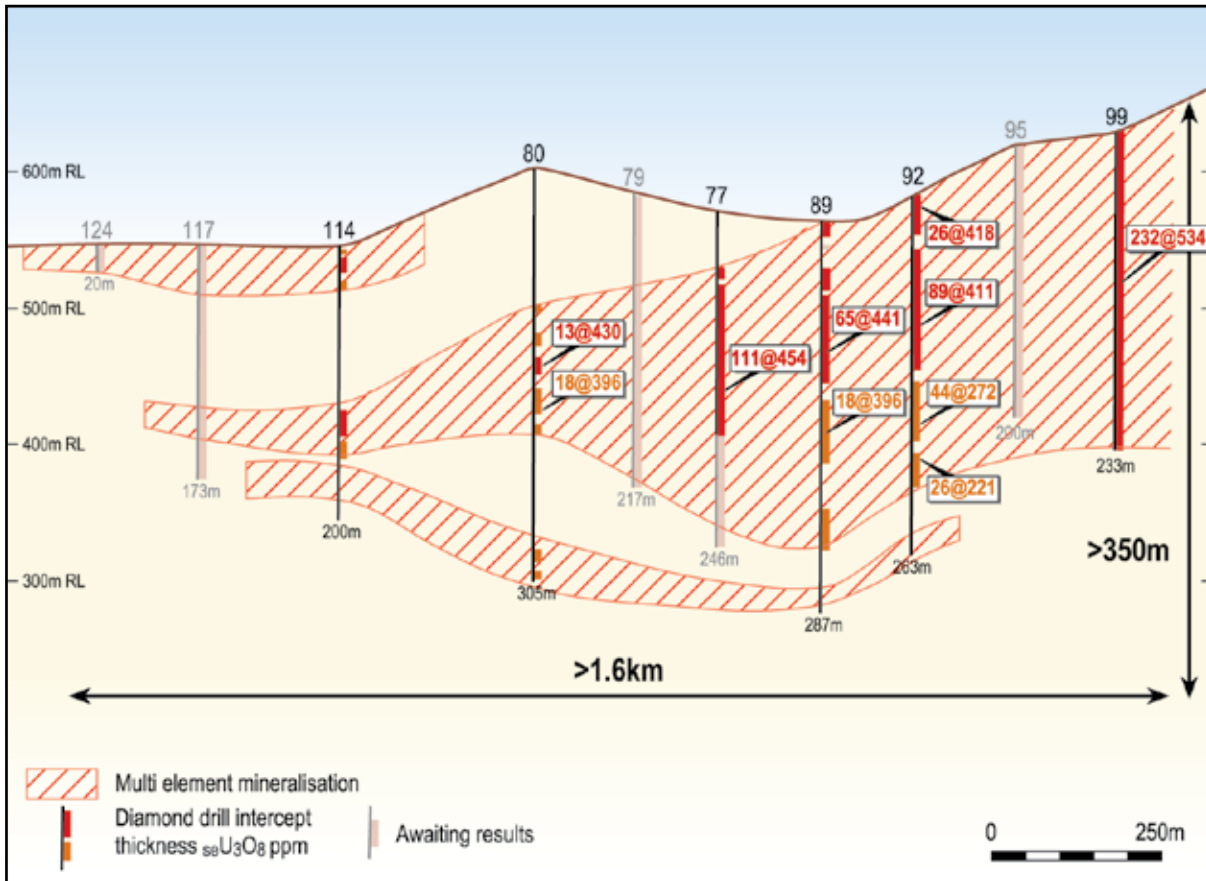


Figure Three : Kvanefjeld Long Section

The Multi-element mineralisation is variable in distribution. villiumite (NaF) has not been recorded near surface. Lithological logging has shown villiumite rich and poor zones; which can be interpreted from hole to hole. The ratio of thorium to uranium varies considerably. Within the main Lujavrite the ratio varies from 4:1 down to 1:1; while in the contact zones near pure uranium zones, thorium zones and mixed zones are present. Other minerals and elements of interest are almost certainly shown distributions varying to that of uranium and others. For this reason assaying for other elements will become a major avenue of work in the coming months.

The bulk density of the multi-element mineralisation in Lujavrite varied from 2.7 to 2.8 and averaged 2.75; while "mixed mineralisation was much more variable but still averaged 2.75. Country rock proved exceptionally variable posting values between 2.6 and 3.1; averaging around 2.85. Naujaite was consistent at about 2.4-2.5.

### Airborne Radiometrics

Airborne radiometrics were completed on the Kvanefjeld area; but due to inclement weather was not extended to the southern part of the Project area. The Uranium channels showed significant anomalies over the know Kvanefjeld mineralisation and to the south of Lake Taseq. At Kvanefjeld the area of the anomaly extended south and westwards past the Campsite. Subsequent drilling proved that significant mineralisation occurred beneath these anomalous areas.

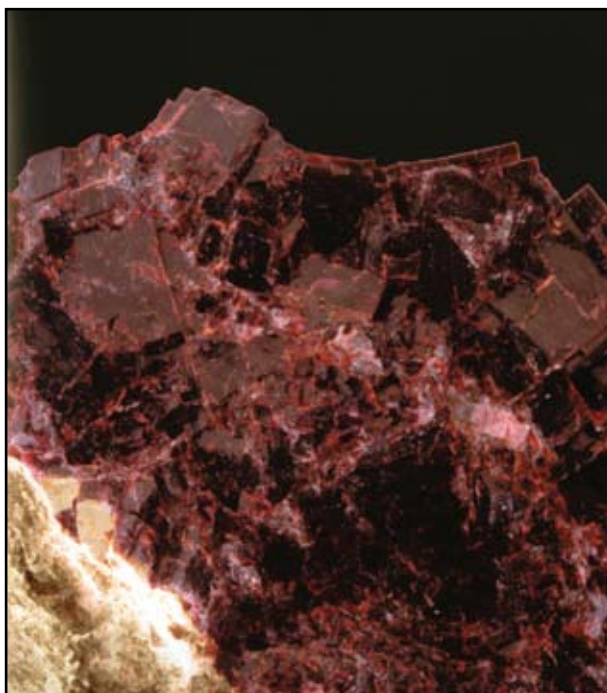
Extension of this survey and infill to 50m spacing are considered warranted during the 2008 season.

### Environmental Studies

Matters pertaining to the environment form an important part of any mineral exploration or exploitation programme. A knowledge of the "Environmental Baseline" is necessary to define the situation before any changes due to exploration, exploitation or for that matter and



third party effects (such as climate change). These studies are studies of change with time and necessarily require collection of baseline information over a number of years. This year the company was able to obtain the services of a consultant with an enviable record acceptable to Company and Government alike. During a compressed field season the consultant was able to collect sufficient samples from surrounding fjords, streams and hills to form a detailed database of samples. Many samples are stored until later when they are tested and investigated to give a total knowledge without incurring the costs of a full investigation before it is certain that the operation may proceed to exploitation.



*Villiamite - is the mineral at Kvanefjeld composed of sodium fluoride.*

### **Early sample commentary.**

While the vast majority of core samples for chemical analysis are still to arrive in Perth the two pathfinder samples that were sent for early assay have now been analysed. The purpose was to assess the methods of analysis that would be most appropriate for the main sampling program.

The results were chosen as possibly representative of expected lower grade material however the sample size of only two means they are not necessarily representative.

Firstly the Company is pleased to see that the chemical analysis of the uranium results matched, within expected limits, the results obtained by down-hole spectral analysis.

Secondly it is clear that the resource is really a multi element body. It is normal in many mineralised bodies for only certain groups of elements to be in higher concentrations than trace amounts. For example copper-gold deposits or lead-zinc-silver deposits are common assemblages.

Our deposit has a much larger number of elements available in much higher than trace amounts than is normal in other mineralised bodies.

The table on page 12 shows that there are number of elements with elevated concentrations and that further metallurgical investigations may show that some of these will prove to be economic by-products or products in their own right. In particular the sample from K087 from 137m -138m carries 3.5% sodium fluoride, (which is water soluble), and currently sells at +\$900 US a tonne.



*Eudialite - a mineral composed of rare earths present at Kvanefjeld.*



**Kvanebjerg Multi Element Deposit**

Assay Results for Two Diamond Drill Core Samples - DDH K089 134 to 135m and 137 to 138m															
Element	Be	NaF (Sol)	Ga	Hf	Li	Mo	Nb	Rb	Sn	Ta	Th	U	Y	Zn	Zr
Units	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
K089 134-135m	39	121	107	50	743	41	318	768	332	11	325	337	935	2,467	3,807
K089 137-138m	37	34,506	99	63	659	43	424	748	304	22	407	293	899	2,211	4,086

**Rare Earths**

Element	La	Ce	Pr	Nd	Sm	Eu	Gd	Tb	Dy	Ho	Er	Tm	Yb	Lu
Units	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
K089 134-135m	2,735	3,736	334	908	99	10	81	14	105	23	70	11	73	10
K089 137-138m	2,795	3,945	358	1,018	119	12	95	15	109	23	67	11	65	9







### Work to be Completed 2007 Season

Drilling has been completed for the year and field operations have ceased in Greenland.

Hellman and Schofield Pty Ltd have been commissioned to begin construction of a resource model for the Kvanefjeld deposit. This process is expected to take several months and several model iterations.

Initially the model will be constructed utilising down-hole geophysical data (comprising uranium, thorium and potassium) as they are the only results to hand. This will form the basis of the model and will be built up and refined as more data is to hand.

Samples taken in Narsaq at the time of drilling are in transit for analysis in Perth and we expect these results by the

beginning of the New Year. The preliminary model will be updated when these chemical assays are available, these results will include other elements of interest and will give an indication of the relative importance of the other elements.

The BMP of Denmark has allowed access to historical core stored by them at Riso, Denmark. Geological logging and sampling for multi-element assaying will commence shortly. This will be a stage operation with priority holes requested first. Data from historical grade estimation will also be sought.

The final resource model will be run once data from historical cores has been received. These historical cores are located in Copenhagen and are to be logged and sampled in the last few months of Calendar 2007.

	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08
Down-hole Geophysics Results													
Preliminary Model													
Core Assays - Narsaq													
Second Model Run													
Core Assays - Copenhagen													
Final Model Run													
Camp Mobilization													
Drilling 08 Season													
Aerial Geophysics													

### The 08 Field Season

The Company believes that a major drilling program will occur at the Kvanefjeld Deposit during the next field program likely to start in May. GGG envisages three diamond drills will be required.

It is expected that the majority of this drilling will be used on the Kvanefjeld deposit to expand and refine the known Kvanefjeld resource. The remaining un-drilled portion of the plateau will be drilled on at least 160 metres centres to ensure the entire complex is tested. Further refining of the resource to a reserve is likely to occur with the remaining metres

The remaining will be used to explore high priority targets. These targets are known to have outcropping mineralisation.

As drilling gets underway an aerial geophysical survey will be commissioned to refine targets developed this year and expand the known survey limits. This is expected to direct the final exploration drilling.

The Company under its license obligations will also continue its environmental survey on the area during the coming field season.

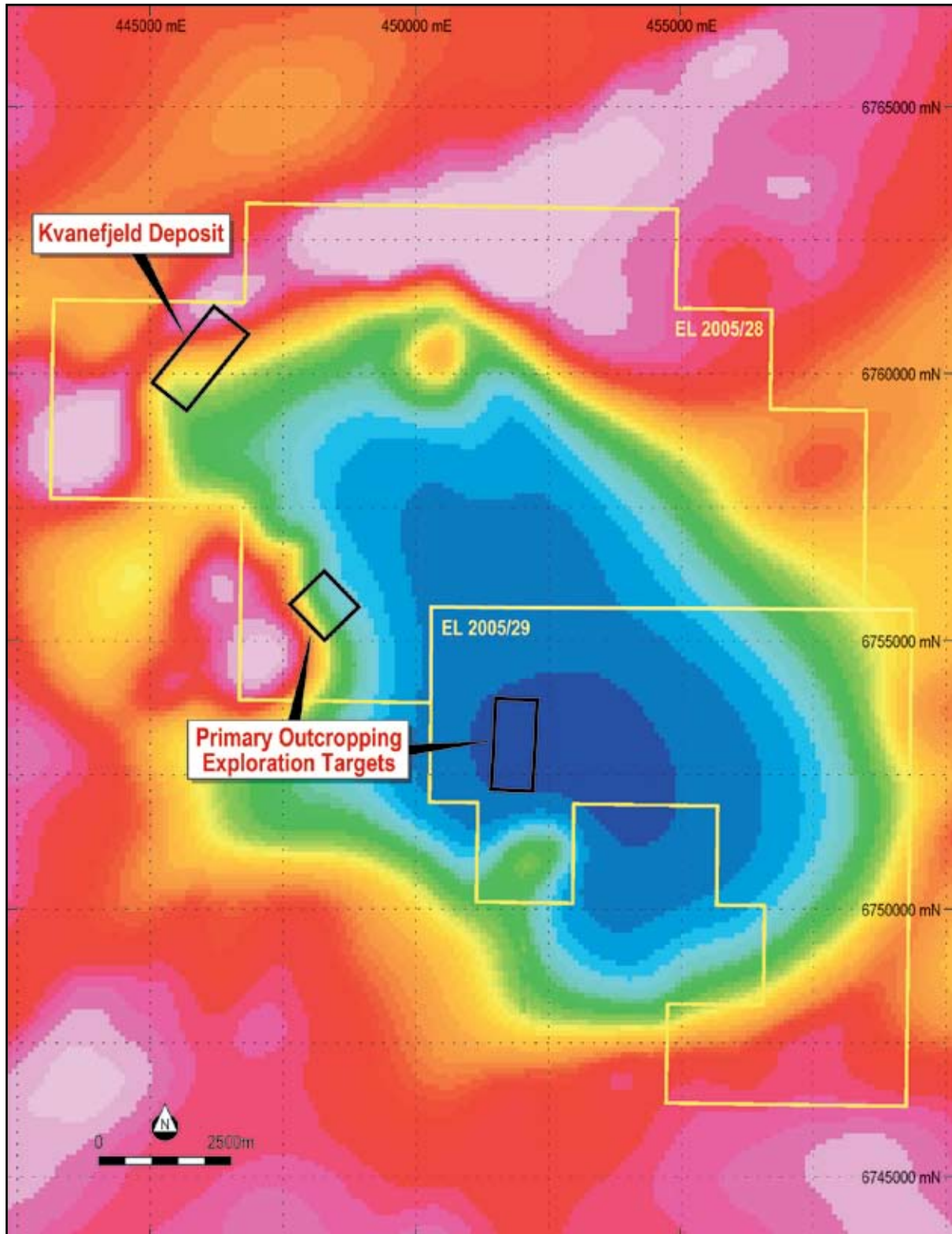


Figure Four: Exploration targets on aerial magnetic imaging showing the intrusion as a magnetic low.



### Kvanefjeld Project - Drill holes 2007

Hole No	N	E	RL	Depth	Az	Dip
K0073	446239.2	6760552	603.1439	236	0	-90
K0074	446147.7	6760280	620.1052	275	0	-90
K0075	446085.8	6760310	604.5544	272	0	-90
K0076	446025.6	6760351	593.7452	221	0	-90
K0077	445960.5	6760382	570.7261	246	0	-90
K0078	446009.9	6760195	603.2673	281	0	-90
K0079	445896.3	6760273	585.5926	217	0	-90
K0080	445806.2	6760159	603.7921	305	0	-90
K0081	445699	6760230	563.8499	302	0	-90
K0082	445987.6	6760040	600.5387	293	0	-90
K0083	445993.3	6760540	554.923	207	0	-90
K0084	446415.5	6760427	696.5191	398	0	-90
K0088	446159.8	6760415	600.0994	214	0	-90
K0089	446049.5	6760504	563.9482	287	0	-90
K0090	445932.6	6760581	558.3858	248	0	-90
K0091	446015.2	6760695	594.5503	275	0	-90
K0092	446127	6760612	582.5367	263	0	-90
K0094	446333.6	6760661	608.0732	272	0	-90
K0095	446205.2	6760741	620.227	200	0	-90
K0096	446076.3	6760818	643.82	257	0	-90
K0098	446166.7	6760939	651.6441	230	0	-90
K0099	446296.1	6760858	629.3503	233	0	-90
K0100	446404.6	6760781	622.6493	134	0	-90
K0103	446480.5	6760894	642.4625	275	0	-90
K0105	445854.1	6760463	565.8408	270	0	-90
K0106	445777.5	6760339	554.8811	278	0	-90
K0107	445957.7	6760233	609.3134	218	0	-90
K0108	446073.6	6760143	611.6298	200	0	-90
K0109	445876.3	6760126	613.9791	200	0	-90
K0110	445753.3	6760197	583.6292	240.25	0	-90
K0111	445643	6760265	558.9726	290	0	-90
K0112	445392.9	6760090	540.2612	242	0	-90
K0113	445526	6760005	555.9749	203	0	-90
K0114	445650.6	6759918	544.7038	200	0	-90
K0116	445394.1	6759835	557.9835	236	0	-90
K0117	445534.1	6759747	547.8143	173	0	-90
K0118	446085	6759981	610.2307	254	0	-90
K0119	446149	6760098	634.5304	224	0	-90
K0120	446242.1	6760219	660.9174	212	0	-90
K0122	445300.1	6759679	540.9695	203	0	-90
K0123	445567.6	6760179	540.7768	200	0	-90
K0124	445438.2	6759630	546.8784	20	0	-90





**Kvanefjeld Project - Summary Table drill intersections**

Hole No.	Depth (m)	From (m)	To (m)	Thickness (m)	Av Grade (ppm U <sub>3</sub> O <sub>8</sub> esp)
K073	236	2.50	21.50	18.90	366
		84.30	103.10	18.80	435
K074	275	0.94	21.76	20.82	364
		46.54	76.85	30.31	372
		97.25	150.36	53.11	504
K075	272	9.05	102.85	33.80	529
		108.15	138.06	29.91	433
		157.94	162.86	4.92	394
		221.35	273.15	51.80	305
K076	221	56.80	68.30	11.40	415
		73.60	78.30	4.70	461
		84.30	89.10	4.80	439
		92.10	101.10	9.00	371
		118.60	134.70	16.10	368
		212.90	220.30	7.30	275
K077	246	39.50	48.80	9.30	400
		53.00	164.20	111.20	454
K078	281	37.34	42.66	5.32	533
		50.95	80.66	29.71	529
		84.55	96.66	12.11	426
		112.55	115.45	2.90	440
		124.94	162.86	37.92	397
		195.94	232.06	36.12	363
K080	305	100.40	107.00	6.50	394
		122.20	131.90	9.70	373
		139.10	152.20	13.10	430
		162.40	181.20	18.70	396
		189.40	196.30	6.80	392
		280.30	290.70	10.40	275
K081	302	296.90	302.80	5.90	262
		1.45	14.45	13.00	603
		27.14	77.76	50.62	382
		85.25	116.66	31.41	350
K082	293	121.75	171.83	50.09	192
		12.55	56.16	43.61	593
		61.54	64.06	2.52	545
		101.05	142.65	41.60	402
		146.55	153.15	6.60	287
		159.25	173.06	13.81	319
		178.35	181.65	3.30	354
		274.54	290.26	15.72	290



**Kvanefjeld Project - Summary Table drill intersections (continued)**

Hole No.	Depth (m)	From (m)	To (m)	Thickness (m)	Av Grade (ppm U <sub>3</sub> O <sub>8</sub> esp)
K084	398	163.40	165.60	2.10	336
		226.90	254.10	27.10	266
K084	398	164.41	166.51	2.10	348
		228.00	255.01	27.01	279
K088	214	57.00	64.40	7.30	456
		81.30	87.00	5.70	352
		125.40	128.10	2.60	457
K088	214	181.60	196.80	15.20	352
		1.30	10.70	9.40	412
		16.80	19.60	2.80	290
K089	287	33.80	50.20	16.30	549
		53.50	119.50	65.90	441
		131.40	178.30	46.90	330
		210.60	241.40	30.80	202
		117.30	123.70	6.30	230
K090	248	126.90	129.50	2.50	229
		198.40	207.40	9.00	187
K091	275	-	6.90	6.80	367
		68.10	101.80	33.70	291
		114.20	120.00	5.80	203
		124.90	129.00	4.00	219
		192.60	215.70	23.00	199
		233.40	239.10	5.70	240
K092	263	1.20	27.90	26.70	418
		38.50	127.90	89.30	411
		135.10	179.70	44.60	272
K094	272	187.10	213.20	26.10	221
		0.50	31.50	31.00	461
		51.00	53.80	2.70	621
K094	272	57.30	64.40	7.10	404
		68.80	72.50	3.70	243
		77.20	81.70	4.50	389
		95.10	131.40	36.30	482
		179.40	222.20	42.80	289
		227.40	271.40	44.00	270
K096	257	3.60	84.40	80.80	370
		98.80	121.90	23.00	219
		124.70	170.20	45.50	241
		173.40	180.80	7.40	221
		219.40	226.70	7.20	229
		253.10	256.60	3.40	236



**Kvanefjeld Project - Summary Table drill intersections (continued)**

Hole No.	Depth (m)	From (m)	To (m)	Thickness (m)	Av Grade (ppm U <sub>3</sub> O <sub>8</sub> esp)
K098	230	2.15	67.85	65.70	327
		75.55	90.95	15.40	247
		154.55	161.45	6.90	203
		169.75	174.26	4.51	229
		196.75	206.15	9.40	217
K099	233	1.04	233.36	232.32	534
K103	275	4.80	6.90	2.10	317
		9.60	20.90	11.20	310
		85.40	91.50	6.00	409
		108.80	111.10	2.30	366
		120.30	145.10	24.70	419
		150.30	152.70	2.40	522
K105	270	247.40	273.30	25.90	283
		0.30	3.80	3.50	282
		108.30	137.20	28.90	275
		142.40	146.70	4.20	230
		161.30	167.60	6.30	250
		176.90	181.50	4.50	221
		203.10	206.60	3.50	210
K106	278	234.10	248.70	14.60	183
		-	20.90	20.90	430
		103.90	109.20	5.20	301
		152.10	154.30	2.10	257
		159.40	177.00	17.60	337
		180.90	186.10	5.10	274
		194.80	202.10	7.30	264
		242.40	246.60	4.20	215
		261.00	264.60	3.60	230
		270.50	274.60	4.10	190
K107	218	75.30	77.60	2.30	565
		83.70	106.20	22.50	438
		111.10	119.00	7.90	289
		125.80	161.20	35.30	425
		165.40	172.00	6.50	361
		205.30	210.50	5.20	394
K108	200	1.64	68.16	66.52	843
		79.34	102.06	22.72	461
		106.05	172.56	66.51	480
		184.55	201.95	17.40	362
K109	200	108.70	125.30	16.60	290
		156.40	171.80	15.40	489





**Kvanefjeld Project - Summary Table drill intersections (continued)**

Hole No.	Depth (m)	From (m)	To (m)	Thickness (m)	Av Grade (ppm U <sub>3</sub> O <sub>8</sub> esp)
K110	240	99.80	106.00	6.20	452
		110.20	114.70	4.50	333
		124.40	135.40	10.90	445
		145.60	176.10	30.40	385
K111	290	10.30	33.70	23.40	410
		41.50	45.00	3.50	431
		51.20	77.50	26.30	485
K113	203	1.45	22.36	20.91	560
		25.25	34.96	9.71	474
		111.15	146.45	35.30	473
		153.25	165.45	12.20	238
		172.25	203.56	31.31	213
K114	200	1.35	4.85	3.50	264
		7.25	18.26	11.01	411
		24.45	31.15	6.70	356
		119.15	139.65	20.50	452
		142.05	155.65	13.60	314
K116	236	1.54	48.16	46.62	470
		74.44	78.56	4.12	325
		107.34	135.76	28.42	477
		150.25	174.15	23.90	270
K119	224	-	71.90	71.80	552
		75.40	96.50	21.00	455
		104.10	171.10	67.00	448
		193.10	223.60	30.50	288
K122	203	1.54	35.46	33.92	504
		51.95	75.35	23.40	389
		108.15	141.06	32.91	467
		153.94	173.86	19.92	339
		181.85	186.65	4.80	244
		195.55	203.95	8.40	244



## Estimation of Uranium and Thorium Grades at Kvanefjeld

High definition spectral radiometric logging of drill holes to determine the grade of naturally radioactive minerals (such as uranium and thorium) are preferable to classic chemical assaying of drill samples since the volume of the sample measured radiometrically is approximately 50 times larger than that measured by chemical assay. This means each radiometric estimate is far more representative of a similar length of core (or chips). These radiometric estimates are repeatable to within a few percent.

Additionally radiometric estimates are taken at each 75mm and are giving positions of boundaries accurate to a few cm and changes over even these short distances.

The grade of uranium and thorium intersected in diamond drill holes at Kvanefjeld was historically estimated by measuring natural gamma radiation using:

- down-hole spectral logging
- laboratory scanning of core and
- laboratory scanning of crushed chips.

This field season Greenland Minerals and Energy logged accessible historical holes and holes drilled this 2007 field season with an Auslog spectral gamma tool; a sophisticated new generation tool with much greater sensitivity and accuracy compared to that used in historical logging.

The principles involved in all of these techniques are the same and are presented as follows:

Mineralisation at Kvanefjeld contains significant quantities of thorium, small amounts of potassium and uranium. All three have isotopes that emit gamma radiation. Total count gamma radiation counting devices will count thorium and potassium radiation as well as any uranium radiation.

Therefore the uranium associated with the Kvanefjeld mineralisation cannot be accurately estimated by measuring the total gamma radiation. "Total Gamma Logging" is a common method used to estimate uranium grade (" $U_3O_8e$ ") where the contribution from thorium and potassium is very small. Calcrete and sandstone uranium deposits are usually of this type.

The gamma radiation from potassium, uranium and thorium is dominated by gamma rays emitted with specific energy levels. These energy levels are sufficiently well separated such that they can be measured independently of each other. They are typically measured as narrow energy bands that contain the specific energy levels. In addition there is some scattering of higher energy gamma radiation. Thorium, with the highest energy radiation causes scattering into lower energy parts of the spectrum; mixing (masking) with the uranium radiation. This scattered radiation must also be taken into account and is calculated using suitable calibration procedures. The calculated total radiation is then stripped from the spectrum and this uranium radiation used to calculate the amount of uranium present.

An example of where these types of measurement are commonly used is in airborne radiometric surveys to distinguish the contributions from potassium, uranium and thorium. The measurements are termed spectral gamma measurements because they separate the three energy levels into their "spectral" energy bands. Similar measurements can be performed on drill samples (called Spectral Gamma Logging) as described within this announcement as noted as " $U_3O_8esp$ ".

Uranium, over time, breaks down through a series of elements (uranium decay chain), which are the products of its nuclear decay (called "Daughter Products"). The gamma radiation that is used to estimate the quantity of uranium present is not directly from uranium itself. The gamma radiation from the decay of uranium is dominated by that of its Daughter Products – predominantly bismuth 214. ie Uranium exhibits relatively low radioactivity. Over time, approximately 2.4 million years, the generation and decay of Daughter Products reaches an equilibrium state where the gamma radiation from the daughters is representative of the concentration of uranium present. Hence an estimation of the Daughter Products will give an accurate estimate of the amount of uranium present.

If any of the Daughter Products in the chain are removed then the process of decay will not be in equilibrium and the amount of Daughter Product present will not relate to the uranium present. This is termed Disequilibrium. Disequilibrium can occur when a uranium deposit is in process of being formed, weathered or moved. Groundwater may dissolve either the Daughter Products, or uranium, preferentially and separate them resulting in disequilibrium.



Young deposits, such as those in calcretes and sandstones, often show some disequilibrium because they have been formed or moved within the past 2.4 million years.

Mineralisation at Kvanefjeld has been formed within the rock as it was emplaced and cooled. There has been no weathering and there are few if any permeable shear/fault zones where water may dissolve and move the mineralisation. The age of the rocks containing the mineralisation is approximately 1,000 million years. Thus the uranium is in equilibrium with its daughter products and disequilibrium is not expected to be an issue. This has been confirmed by test-work undertaken at Riso in 1970-80s where several hundred samples were assayed at their nuclear facility and showed that there was no measurable disequilibrium. The company will again confirm these findings to ensure that the 2007 spectral gamma radiation measurements accurately reflect true uranium and thorium contents at Kvanefjeld.

The Auslog spectral gamma tool measures the total gamma ray flux in the drill hole; readings are typically averaged over 7.5 centimetre intervals and the reading and depth recorded on a portable computer.

The radiation due to Thorium is then calculated and stripped from the total radiation spectrum; that which remains being entirely due to uranium. In order to calculate the grade of uranium present the Auslog spectral logging tool was first calibrated against known grade uranium. This was carried out in Adelaide at the Department of Water, Land and Biodiversity Conservation in calibration pits constructed under the supervision of CSIRO.

The calibration factors so calculated in the Adelaide calibration pits have been applied to the uranium spectral gamma ray readings and converted to equivalent  $U_3O_8$  esp. These factors also take into account differences in hole-size and water content.





22 **SHAREHOLDER DISTRIBUTION INFORMATION**

**SHAREHOLDERS WITH GREATER THAN 5% SHARES.**

1	GCM Nominees Limited	35,000,000
2	Westrip Holdings Limited	30,000,000
3	Gravner Limited	15,000,000
4	Citicorp Nominees Pty Limited	12,515,692

**DISTRIBUTION OF SHARES**

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUE CAPITAL
1 - 1,000	42	30,261	0.019 %
1,001 - 5,000	159	479,468	0.305 %
5,001 - 10,000	251	2,331,787	1.485 %
10,001 - 100,000	239	9,275,929	5.910 %
100,001 - 9999999999	93	144,813,684	92.278 %
<b>TOTAL</b>	<b>784</b>	<b>156,931,129</b>	<b>99.997 %</b>

**TOP 20 SHAREHOLDERS**

1	GCM Nominees Limited	35,000,000
2	Westrip Holdings Limited	30,000,000
3	Gravner Limited	15,000,000
4	Citicorp Nominees Pty Limited	12,515,692
5	National Nominees Limited	5,066,801
6	Mr Cameron John French	3,253,000
7	Falfaro Investments Ltd	3,000,000
8	South Asian Commodity Holding	2,731,004
9	Worldpower Pty Ltd	2,472,028
10	Mr Roderick Claude McIlree	2,375,095
11	NEFCO Nominees Pty Ltd	2,246,000
12	Rochford Limited	2,119,600
13	HSBC Custody Nominees (Australia) Limited	1,931,114
14	ANZ Nominees Limited	1,910,433
15	Nidd Valley Company Limited	1,900,000
16	Mr Garry William Thomas and Mrs Nancy-Lee Thomas Thomas Family Super A/C>	1,620,000
17	Jeffrey Maxwell Jones	920,000
18	Mr Richard Homsany and Mrs Rosa Diana Marisa Homsany <Homsany Family A/C>	850,000
19	Redmont Resources Pty Ltd	750,000
20	Mr Stephen Frederick Schmedje and Mrs Cornelia Petra Schmedje	744,352
<b>TOTAL</b>		<b>126,405,119</b>



## DISTRIBUTION OF OPTIONS

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUE CAPITAL
1 - 1,000	6	4,966	0.004 %
1,001 - 5,000	83	347,498	0.287 %
5,001 - 10,000	182	1,708,910	1.413 %
10,001 - 100,000	169	6,795,262	5.621 %
100,001 - 9999999999	62	112,012,835	92.672 %
<b>TOTAL</b>	<b>502</b>	<b>120,869,471</b>	<b>99.997 %</b>

## TOP 20 OPTION HOLDERS

	TOTAL UNITS
1 Gravner Limited	75,000,000
2 Citicorp Nominees Pty Limited	5,660,000
3 NEFCO Nominees Pty Ltd	4,469,400
4 Worldpower Pty Ltd	3,160,000
5 Mr Cameron John French	2,410,350
6 South Asian Commodity Holding Limited	1,805,295
7 Mr Garry William Thomas and Mrs Nancy-Lee Thomas <Thomas Family Super A/C>	1,620,000
8 Mr Roderick Claude McIlree	1,325,000
9 Rochford Limited	1,039,800
10 Nidd Valley Company Limited	950,000
11 Mr Jeffrey Maxwell Jones	920,000
12 Mr Richard Homsany and Mrs Rosa Diana Marisa Homsany <Homsany Family A/C>	850,000
13 Mr Mario Claude Frichot	810,000
14 Mr Stephen Frederick Schmedje and Mrs Cornelia Petra Schmedje	800,000
15 ANZ Nominees Limited	739,963
16 Mr Jeremy Sean Whybrow	710,100
17 Redmont Resources Pty Ltd	650,000
18 Mr Simon Kenneth Cato	550,100
19 Bond Street Custodians Limited	550,000
20 Mr Roderick Claude McIlree and Mrs Barbara French	475,000
<b>TOTAL</b>	<b>104,495,008</b>

## UNQUOTED OPTIONS

22,800,000 unvested unlisted directors options.

## TENEMENT LIST

Queensland EPM 14588, EPM 15517  
Greenland EL 2005/28, EL 2005/29



*Greenland Minerals  
and Energy Ltd*







**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)  
A.B.N. 85 118 463 004**

**FINANCIAL REPORT**

**JUNE 30 2007**

**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)  
A.B.N. 85 118 463 004**

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**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)  
A.B.N. 85 118 463 004**

**DIRECTORS' REPORT**

Your directors present their report on the company for the year ended June 30 2007.

On the 2 August 2007 the company changed its name from The Gold Company Ltd to Greenland Minerals and Energy Ltd.

**Directors**

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

Simon Kenneth Cato	- appointed on February 21 2006
Jeremy Sean Whybrow	- appointed on February 21 2006
Miles Simon Guy	- appointed on April 12 2006, resigned 23 March 2007
Roderick Claude McIllree	- re-appointed on 23 March 2007
Hans Kristian Vinding Schonwandt	- appointed on August 9 2007
Malcolm Geoffrey Mason	- appointed on August 9 2007
Anthony Ho	- appointed on August 9 2007
Simon Alexander Stafford Michael	- appointed on August 9 2007

**Company Secretary**

The following person held the position of company secretary at the end of the financial period:

Bruce Richard Acutt – Bruce trained and worked as an accountant with major accounting firms in the audit and resources sector. He has been associated with the mining and exploration sector for over twenty years.

**Principal Activities**

The principal activity of the company during the financial period was resources mineral exploration.

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

**Operating Results**

The net loss of the company after providing for income tax amounted to \$199,700.

**Subsequent Events**

For disclosure of events occurring subsequent to year end, refer to note 15 of the financial statements.

**Future Developments**

Disclosure of information regarding likely developments in the operations of the company in future financial periods and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

**Environmental Issues**

The company 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 company's exploration activities are currently regulated by significant environmental regulation under laws of the Commonwealth and states and territories of Australia. The company aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation.

**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)  
A.B.N. 85 118 463 004**

**DIRECTORS' REPORT**

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

**Dividends**

In respect of the financial period ended 30 June 2007, no dividends have been paid or declared since the start of the financial period and the directors do not recommend the payment of a dividend in respect of the financial period.

**Review of Operations**

On 20 June 2006 the company's shares commenced trading on ASX.

We commenced work in August 2007 on our Three Sisters Project in Queensland. We carried out a detailed soil sampling program and reported to the market on this project. Since August 2007 we have adjusted our land holding there in the light of exploration results.

In December 2006 we were suspended from trading at our request to allow us to concentrate on due diligence and contract negotiations leading to our agreeing to enter into the Kvanefjeld project.

On 23 May 2007 we were reinstated to quotation after completing due diligence and entering into the agreements which following shareholder approval on 31 July 2007 saw us acquire our interest in the Kvanefjeld project. Specific details of the contracts are summarized in the Subsequent Events section of these accounts.

From June 2007 we commenced our exploration program in Greenland at Kvanefjeld, this exploration is still continuing as at the date of this report.

Exploration announcements have been made to the market as and when they are available on both projects during the year.

**Significant Changes in State of Affairs**

The following significant changes in the state of affairs of the Company occurred during the financial period.

**Financial Position**

The net assets of the company were \$5,179,027 at year end arising as a result of capital raisings and acquisition of a mineral tenement.

The company was in a strong financial position at the end of the financial period with sufficient financial resources to undertake its objectives. The Company's objective is to locate new mineral discoveries that significantly upgrade the value of its projects and consider other opportunities in the resources sector.

**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)**

**A.B.N. 85 118 463 004**

**DIRECTORS' REPORT**

**Information on Directors**

- Simon Kenneth Cato** - Executive Director
- Qualifications - B.A., MSDIA
- Experience - Appointed a director on February 21 2006.
- Mr Simon Cato has had over 25 years capital markets experience in broking, regulatory roles and as director of listed companies.
- He initially was employed by the ASX in Sydney and in Perth. Over the last 17 years he has been 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 has also been involved in the underwriting of a number of initial public offers and has been through the process of an initial public offer listing in a dual role of broker and director. Currently he holds a number of executive and non executive roles with listed companies in Australia.
- Interest in Shares & Options - 800,100 Ordinary Shares in Greenland Minerals and Energy Ltd, 800,100 options and 6,600,000 unvested unlisted options.
- Special Responsibilities - Mr Simon Cato is an executive director of the company.
- Directorships held in other-listed entities - Simon Cato is a director of Bentley International Limited, Convergent Minerals Limited, Scarborough Equities Limited and Sofcom Limited.
- Jeremy Sean Whybrow** - Exploration Director
- Qualifications - B.Sc. (Mineral Exploration and Mining Geology), G.Dip(Minerals Economics), M.Aus.I.M.M
- Experience - Mr Whybrow has had over 12 years experience in the mining industry both domestically and internationally.
- Mr Whybrow 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.
- Previously, Mr Whybrow has worked internationally in China, Africa and the Philippines as well as numerous localities in Australia.
- Interest in Shares & Options - 710,100 Ordinary Shares of Greenland Minerals and Energy Ltd, 700,000 listed options and 6,600,000 unvested unlisted options.
- Directorships held in other entities - Mr Whybrow is also an executive director of Convergent Minerals Limited.

**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)  
A.B.N. 85 118 463 004**

**DIRECTORS' REPORT**

**Hans Kristian Vinding  
Schonwandt** - Executive Chairman

Qualifications -

Experience - Dr Schönwandt has been involved in mineral exploration and geological mapping in Greenland since 1963. He has contributed to the mining society's attention to Greenland's mineral potential through numerous international publications and presentations at mining conferences.

As head of the Department of Economic Geology he streamlined the Geological Survey's service to the mining industry by a number of initiatives including a mineral database, core library, and a quick presentation of survey data through the "Open file Report" and an archive for the mining industries assessment reports. He was technical adviser to the committee which recommended a modernisation of the Mineral Resource Act for Greenland in 1990, a modernisation which became the starting point of an increased mineral exploration activity in Greenland.

As associate professor Dr Schönwandt consulted for various mining companies in Greenland and elsewhere. He was a permanent consultant for the Nordic Mining Company Ltd on activities in Greenland and was also permanent consultant for Norsk Hydro Ltd's Prospecting Department in Oslo, Norway where he was deeply involved in the discovery and development of porphyry molybdenum deposits in the Oslo Rift.

As deputy minister he was responsible for establishing the Bureau of Minerals and Petroleum (BMP) in Nuuk, Greenland and to advise the politicians in Greenland and Denmark on all aspects concerning the raw material sector. He took the initiative and was responsible for the authority's strategy within the hydrocarbon and mineral sector which was approved by the government of Greenland and the government of Denmark in 2003 and 2004 respectively.

Interest in Shares & Options - Nil

Directorships held in other entities - Nil



**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)  
A.B.N. 85 118 463 004**

**DIRECTORS' REPORT**

- Roderick McIllree** - Managing Director
- Qualifications - B.Sc. (Mineral Exploration and Mining Geology), Grad Dip. (Mineral Economics) MAusIMM.
- Experience - Mr McIllree graduated from Curtin University of Technology in 1996 with a Bachelor of Science degree (Mineral Exploration and Mining Geology) and commenced a career in the mining industry where he worked for major mining companies both domestically and internationally, gaining experience in mineral exploration and in all facets of mining.
- Mr McIllree moved to the finance sector in 2000 and worked as an analyst and advisor for broking houses active in capital markets. Mr McIllree has experience in international capital raisings having initiated several successful mining companies with assets both domestically and overseas. He was instrumental in sourcing the Kvanefjeld Project for the Company.
- Interest in Shares & Options - 2,850,095 Ordinary Shares of Greenland Minerals and Energy Ltd, 1,935,000 listed options and 6,600,000 unlisted unvested options.
- Directorships held in other entities - Executive director of Convergent Minerals Limited.
- 
- Simon Stafford Michael** - Non-Executive Director
- Qualifications - Nil
- Experience - Mr Stafford-Michael practised as a barrister in the United Kingdom from 1982 to 2005. He developed a commercial practice, with particular emphasis on financial services, banking, tax, corporate and commercial and insurance and reinsurance.
- Mr Stafford-Michael had a substantial advisory practice in the United Kingdom concerning regulation and compliance issues arising under the Banking, Financial Services and Insurance (Companies) Acts and the rules and regulations of the securities markets; compliance with the Money Laundering Regulations; the conduct of fraud and money laundering investigations; and the duties and liabilities of company directors and their professional advisers under the Companies and Insolvency Acts.
- His corporate clients included a substantial number of major oil and mining corporations, particularly in connection with insurance claims predicated on environmental risks.
- Interest in Shares & Options - Nil
- Directorships held in other entities - Nil

**GREENLAND MINERALS AND ENERGY LTD  
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**DIRECTORS' REPORT**

- Tony Ho** - Non-Executive Director
- Qualifications** - B.Comm, CA, FAICD, FCIS
- Experience** - Mr Ho is an experienced company director having held executive directors 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.
- Mr Ho was a past non-executive director of Brazin Limited (September 1997 to January 2007) 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 a fellow of both the Chartered Institute of Company Secretaries and the Institute of Company Directors.
- Interest in Shares & Options** - Nil
- Directorships held in other entities** - Non-executive director of Dolomatrix International Limited where he chairs the Audit and Compliance Committee. He is also the non-executive chairman of St George Community Housing Limited, the largest community housing company in New South Wales.

**GREENLAND MINERALS AND ENERGY LTD  
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**DIRECTORS' REPORT**

**Malcolm Mason**

- Technical Director

Qualifications

- B.Sc Hons and MAus IMM

Experience

- Mr Mason has had more than 40 years experience in the Australian and international exploration and mining industries. His experience covers gold, base metals and non-metallic minerals.

Since 1995 he has specialised in uranium. As a principal he has investigated many known deposits in Australia and overseas. His depth of experience extends from acquiring projects and prospects through application or negotiation to mounting intensive and extensive exploration into evaluation programmes and completing feasibility studies.

In 1996, Mr Mason formed Acclaim Uranium NL, which successfully listed on the ASX. As Managing Director he implemented his "uranium only" strategy and acquired an extensive portfolio of Australian uranium projects. Among the projects were Millipede/Abercromby, Nowthanna and Lake Maitland calcrete deposits.

In 1998, Mr Mason helped identify the Langer Heinrich deposit for Acclaim Uranium NL which then drilled and completed a feasibility study.

In early 2005 he joined Redport Limited as Strategic Adviser, assisted the company to acquire the Lake Maitland uranium deposit, and was involved in its exploration and evaluation.

Interest in Shares & Options - 360,000 Ordinary Shares of Greenland Minerals and Energy Ltd, 180,000 options and 3,000,000 unvested options.

Directorships held in other entities - Nil

**GREENLAND MINERALS AND ENERGY LTD**  
**(FORMERLY THE GOLD COMPANY LTD)**  
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**DIRECTORS' REPORT**

**Remuneration Report**

This report details the nature and amount of remuneration for each director of Greenland Minerals and Energy Ltd and for the executives receiving the highest remuneration.

**Remuneration Policy**

The remuneration policy of Greenland Minerals and Energy Ltd has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The board of Greenland Minerals and Energy Ltd believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create alignment of interests between directors, executives and shareholders.

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

- All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9% and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors with a base fee and, for special exertion, at market rates for time, commitment and responsibilities. The board as a whole, fulfilling the role of the remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. 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. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company.

**Employment Contracts and arrangements**

Mr Simon Cato is executive chairman of the company and receives a fee of \$40,000 plus superannuation.

Dr Schønwandt will receive a director's fee of \$40,000 per annum to serve as non-executive chairman whilst Mr Stafford-Michael will receive a director's fee of \$30,000 per annum as a non-executive director. Both Dr Schønwandt and Mr Stafford-Michael are entitled to a living allowance and a daily rate for performing any part of their services outside the country's residence. Dr Schønwandt is entitled to 6,000 Danish Kroner per day and Mr Stafford-Michael is entitled to £600 per day.



**GREENLAND MINERALS AND ENERGY LTD**  
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**DIRECTORS' REPORT**

By each agreement, the Company will respectively engage Mr Roderick McIllree, Mr Jeremy Whybrow and Mr Simon Cato on an ongoing basis to perform executive director services (managing director services in the case of Mr Roderick McIllree) as the Company reasonably requires. Mr Simon Cato's role is limited to a maximum of 80 hours per month.

Mr Roderick McIllree will be paid \$250,000 per annum, Mr Jeremy Whybrow will be paid \$180,000 per annum and Mr Simon Cato will be paid \$60,000 per annum. In each case, the remuneration is inclusive of statutory superannuation and the moneys are paid monthly in arrears. Mr Roderick McIllree and Mr Jeremy Whybrow will not receive a separate director's fee. Mr Simon Cato will receive a separate director's fee of \$40,000 per annum.

In each case, the Company will reimburse the director for all out of pocket expenses necessarily incurred in the performance of their duties including relating to travel, entertainment, accommodation, meals and telephone.

The remuneration will be reviewed every 12 months or as otherwise agreed between the parties under each agreement.

Mr Tony Ho will receive a directors fee of \$25,000 per year as a non-executive director.

Directors may also be paid reasonable expenses incurred by them on business of the Company.

The Directors are not required to hold any Shares in the Company under the Constitution.

Missoni Investments Pty Ltd (a company in which Malcolm Mason has an interest) and Malcolm Mason have entered into a consultancy services agreement with the Company whereby Missoni Investments Pty Ltd will receive up to a total of \$220,000 per annum. Mr Mason will not be paid a separate directors fee.

**Company performance, shareholder wealth and director and executive remuneration**

The remuneration policy has been tailored to align the interests of shareholders, directors and executives. To achieve this aim, the entity may issue options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The company notes that all directors are shareholders at present and that the company has no present intention to issue incentive shares or options to directors.

The following table shows the gross revenue and profits for the period from incorporation to June 30 2007 for the listed entity, as well as the share price at the end of the financial year.

<b>Remuneration Report</b>	2007	2006
Revenue	228,241	21,272
Net Profit/(Loss)	(199,700)	(324)
Share Price at Year-end	1.76	0.26

**GREENLAND MINERALS AND ENERGY LTD  
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**DIRECTORS' REPORT**

**Details of remuneration for year ended 30 June 2007**

The remuneration for each director and each of the executive officers of the entity receiving the highest remuneration during the year was as follows:

	Salary, Fees and Commissions \$	Superannuation Contribution \$	Cash Bonus \$	Non-cash Benefits \$	Options \$	Total \$
Directors						
Simon Kenneth Cato	40,000	3,600	-	-	-	43,600
Jeremy Sean Whybrow	90,495	3,600	-	-	-	94,095
Miles Simon Guy	15,000	1,350	-	-	-	16,350
Roderick Claude McIllree	17,873	900	-	-	-	18,773
	163,368	9,450	-	-	-	172,818

**Non-audit Services**

The board of directors, is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence

\$1,850 for non-audit services were paid/payable to the external auditors during the period ended 30 June 2007 for tax advice.

**Meetings of Directors**

During the financial period, 3 meetings of directors were held. Attendances by each director during the period were as follows:

Director	Directors Meetings	
	Number eligible to attend	Number attended
S K Cato	4	4
J S Whybrow	4	1
M S Guy	3	3
R McIllree	1	1

**Indemnifying Officers**

During or since the end of the financial year 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 company, other than conduct involving a wilful breach of duty in relation to the company.

**GREENLAND MINERALS AND ENERGY LTD**  
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**DIRECTORS' REPORT**

**Shares**

During the period ended 30 June 2007, the following ordinary shares of Greenland Minerals and Energy Ltd were issued:

Date	Details	Issue Price \$	Number of Shares Issued	\$
25/10/2006	Options converted	0.20	22,900	4,580
28/06/2007	Placement	0.25	3,200,000	800,000
29/06/2007	Options converted	0.20	1,878,731	375,746
			<u>5,101,631</u>	<u>1,180,326</u>

**Options**

Each option gives the option holder the right to subscribe for one fully paid ordinary share in the company at an exercise price of 20c at any time up to June 30 2011.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

33,700,300 options were issued during the financial year and a further 90,000,000 options issued subsequent to year end and before the date of this report. Additionally a further 22,800,000 options issued subsequent to year end are unvested options and not quoted.

Of the options issued before year end 1,901,631 were exercised before year end. Since year end and as at the date of this report we have received option exercises for another 830,057 options.

Therefore as at the date of this report there are 143,768,612 options on issue, including the directors options.

**Proceedings on Behalf of Company**

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

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

**GREENLAND MINERALS AND ENERGY LTD  
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**DIRECTORS' REPORT**

**Corporate Governance**

The primary responsibility of the board is to represent and advance shareholders' interests and to protect the interests of all stakeholders. To fulfil this role the board is responsible for the overall corporate governance of the company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The responsibilities of the board include:

- Protection and enhancement of shareholder value;
- Formulation, review and approval of the objectives and strategic direction of the company;
- Approving all significant business transactions including acquisitions, divestments and capital expenditure;
- Monitoring the financial performance of the company by reviewing and approving budgets and monitoring results;
- Ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- The identification of significant business risks and ensuring that such risks are adequately managed;
- The review and performance and remuneration of executive directors and key staff;
- The establishment and maintenance of appropriate ethical standards;
- Evaluating and, where appropriate, adopting with or without modification, the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations;

The Board recognises the need for the company to operate with the highest standards of behaviour and accountability.

Subject to the exceptions outlined below the company has adopted the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

The board sets out on the below "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the recommendations.



**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)  
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**DIRECTORS' REPORT**

Recommendation Reference - ASX Guidelines	Notification of Departure	Explanation for Departure
2.1, 2.2	No majority of Independent directors including Chairman	<p>The board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of a majority of independent non-executive Directors.</p> <p>The Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.</p> <p>The Company's Chairman, Mr Simon Cato, is considered by the Board not to be independent in terms of the ASX Corporate Governance Council's definition of independent director. However, the Board believes that the Chairman is able and does bring quality and independent judgement to all relevant issues falling within the scope of the role of a Chairman.</p> <p>Additionally, Mr Jeremy Whybrow as an executive director is considered by the Board to not be independent in terms of the ASX Corporate Governance Council's definition of independent director.</p>
2.4	A separate Nomination Committee has not been formed.	<p>The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors. Where appropriate, independent consultants will be engaged to identify possible new candidates for the Board.</p>
4.2, 4.3, 4.4	A separate Audit Committee has not been formed.	<p>The Board considers that the Company is not of a size, nor are its financial affairs of such complexity to justify the formation of an audit committee. The Board as a whole undertakes the selection and proper application of accounting policies, the integrity of financial reporting, the identification and management of risk and review of the operation of the internal control systems.</p>
9.2	There is no separate Remuneration Committee.	<p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company and considers it more appropriate to set aside time at Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee.</p>

**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)  
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**DIRECTORS' REPORT**

**Auditor's Independence Declaration**

The auditor's independence declaration for the period ended 30 June 2007 has been received and is included in the financial report.

Signed in accordance with a resolution of the Board of Directors.



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S Cato  
Director

Date:

28/9/2007

**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)  
A.B.N. 85 118 463 004**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF GREENLAND MINERALS AND ENERGY LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

*mack & co*  
Mack & Co  
Chartered Accountants  
2nd Floor, 35 Havelock Street  
West Perth WA 6005

*N A Calder*  
N A Calder, Partner

*SEPTEMBER 28 2007*  
Date:

**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)  
A.B.N. 85 118 463 004**

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF GREENLAND MINERALS AND ENERGY LTD**

**Report on the Financial Report**

We have audited the accompanying financial report of Greenland Minerals and Energy Ltd, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company.

As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives (remuneration disclosures), required by Accounting Standard AASB 124: Related Party Disclosures, under the heading 'Remuneration Policy of the directors' report and in the financial report.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

The directors also are responsible for preparation and presentation of the remuneration disclosures contained in the directors' report in accordance with the Corporations Regulations 2001.

*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. These Auditing 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 and that the remuneration disclosures in the directors' report comply with Accounting Standard AASB 124.

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 judgment, 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 and fair presentation of the financial report 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 and the remuneration disclosures in the directors' report.

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



**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)  
A.B.N. 85 118 463 004**

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF GREENLAND MINERALS AND ENERGY LTD**


*Independence*

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, provided to the directors of Greenland Minerals and Energy Ltd would be on the same terms if provided to the directors as at the date of this auditor's report.

*Auditor's Opinion*

In our opinion:

- a. the financial report of Greenland Minerals and Energy Ltd is in accordance with the Corporations Act 2001, including:
  - i. giving a true and fair view of the Company's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- b. the financial report also complies with International financial Reporting Standards as disclosed in Note 1; and
- c. the remuneration disclosures that are contained within the directors' report comply with Accounting Standard AASB 124.

  
\_\_\_\_\_  
Mack & Co  
Chartered Accountants  
2nd Floor, 35 Havelock Street  
West Perth WA 6005

  
\_\_\_\_\_  
N A Calder, Partner

SEPTEMBER 28 2007  
Date

**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)  
A.B.N. 85 118 463 004**

**DIRECTORS' DECLARATION**

The directors of the company declare that:-

- (a) The financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the Company are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2007 and of their performance for the period ended on that date; and
  - (ii) comply with Accounting Standards and Corporations Regulations 2001; and
- (b) the Chief Executive Officer and Chief Financial Officer have declared that:
  - (i) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
  - (ii) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - (iii) the financial statements and notes for the financial year give a true and fair view.
- (c) 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

The directors have been given the declarations required by s.295A of the Corporations Act 2001 for the financial period ended 30 June 2007.

This declaration is made in accordance with a resolution of the directors.



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S Cato  
Director

Date:

28/9/2007

**GREENLAND MINERALS AND ENERGY LTD**  
**(FORMERLY THE GOLD COMPANY LTD)**  
**A.B.N. 85 118 463 004**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2007**

	NOTE	2007 \$	2006 \$
Other revenue from ordinary activities	2	228,241	21,272
Directors' fees and salaries		(132,630)	(3,289)
Occupancy expenses		(45,981)	-
Other expenses	3	<u>(249,330)</u>	<u>(18,307)</u>
Profit/(loss) from ordinary activities before income tax expense		(199,700)	(324)
Income tax expense relating to ordinary activities	4	<u>-</u>	<u>-</u>
Profit/(loss) from ordinary activities after related income tax expense		<u>(199,700)</u>	<u>(324)</u>
		Cents	Cents
Basic loss per share		(0.62)	-
Diluted loss per share		(0.62)	-

The above Income Statement should be read in conjunction with the accompanying notes.

**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)**

**A.B.N. 85 118 463 004**

**BALANCE SHEET  
AS AT JUNE 30 2007**

	NOTE	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	2,411,392	3,703,731
Trade and other receivables	6	72,158	50,017
<b>TOTAL CURRENT ASSETS</b>		<u>2,483,550</u>	<u>3,753,748</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		119,425	-
Exploration, evaluation and development expenditure	7	2,728,811	331,867
<b>TOTAL NON CURRENT ASSETS</b>		<u>2,848,236</u>	<u>331,867</u>
<b>TOTAL ASSETS</b>		<u>5,331,786</u>	<u>4,085,615</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	152,754	35,094
<b>TOTAL CURRENT LIABILITIES</b>		<u>152,754</u>	<u>35,094</u>
<b>TOTAL LIABILITIES</b>		<u>152,754</u>	<u>35,094</u>
<b>NET ASSETS</b>		<u>5,179,032</u>	<u>4,050,521</u>
<b>EQUITY</b>			
Issued capital	9	5,238,229	4,050,845
Reserves	10	140,827	-
Accumulated losses		(200,024)	(324)
<b>TOTAL EQUITY</b>		<u>5,179,032</u>	<u>4,050,521</u>

The accompanying notes form part of these financial statements.



**GREENLAND MINERALS AND ENERGY LTD**  
**(FORMERLY THE GOLD COMPANY LTD)**  
**A.B.N. 85 118 463 004**

**STATEMENT OF CHANGES IN EQUITY**  
**AS AT JUNE 30 2007**

	Issued Capital	Option Premium Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Opening balance	-	-	-	-
Issue of fully paid ordinary shares	4,330,060	-	-	4,330,060
Capital raising costs	(279,215)	-	-	(279,215)
Profit/(loss) for year	-	-	(324)	(324)
Balance at June 30 2006	<u>4,050,845</u>	<u>-</u>	<u>(324)</u>	<u>4,050,521</u>
Issue of fully paid ordinary shares	800,000	-	-	800,000
Issue of options for cash	-	160,502	-	160,502
Exercise of options	389,835	(9,509)	-	380,326
Capital raising costs	(2,451)	(10,166)	-	(12,617)
Profit/(loss) for year	-	-	(199,700)	(199,700)
Balance at June 30 2007	<u><u>5,238,229</u></u>	<u><u>140,827</u></u>	<u><u>(200,024)</u></u>	<u><u>5,179,032</u></u>

The accompanying notes form part of these financial statements.

**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)  
A.B.N. 85 118 463 004**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2007**

	NOTE	2007 \$	2006 \$
<b>CASH FLOWS PROVIDED/(USED) IN OPERATING ACTIVITIES</b>			
Payments to suppliers		(284,561)	(34,693)
Interest received		193,979	21,272
Income tax paid		-	(1,826)
		<hr/>	<hr/>
Net cash provided/(used) in operating activities	12	(90,582)	(15,247)
<b>CASH FLOWS PROVIDED/(USED) INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(133,024)	-
Payments for exploration and development		(2,396,944)	(111,867)
		<hr/>	<hr/>
Net cash provided/(used) in investing activities		(2,529,968)	(111,867)
<b>CASH FLOWS PROVIDED/(USED) FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		1,180,326	4,110,060
Proceeds from issue of options		160,502	-
Share issue expenses		(2,451)	(279,215)
Option issue expenses		(10,166)	-
		<hr/>	<hr/>
Net cash provided/(used) in financing activities		1,328,211	3,830,845
Net increase/(decrease) in cash held		(1,292,339)	3,703,731
Cash at beginning of financial period		3,703,731	-
		<hr/>	<hr/>
Cash at end of financial period	5	2,411,392	3,703,731
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

**GREENLAND MINERALS AND ENERGY LTD  
(FORMERLY THE GOLD COMPANY LTD)  
A.B.N. 85 118 463 004**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Greenland Minerals and Energy Ltd as a company. Greenland Minerals and Energy Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the considerations given in exchange for assets.

The financial report of Greenland Minerals and Energy Ltd complies with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

**(a) Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**GREENLAND MINERALS AND ENERGY LTD  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

**(b) Impairment of Assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(c) Revenue**

Rental revenue is recognised on an accruals basis in accordance with lease agreements.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

**(d) Trade and Other Receivables**

All trade receivables are recognised when invoiced as they are due for settlement in the short term.

Collectibility of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

**(e) Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

**GREENLAND MINERALS AND ENERGY LTD  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

**(g) Financial Assets**

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

*(i) Financial assets at fair value through profit or loss*

Financial assets classified as held for trading are included in the category 'Financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

*(ii) Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

*(iii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.



**GREENLAND MINERALS AND ENERGY LTD  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

*(iv) Available-for-sale investments*

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

**(g) Financial Assets (cont)**

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models

**(h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(i) Capitalisation of exploration and evaluation expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

**GREENLAND MINERALS AND ENERGY LTD  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining or petroleum permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

**(j) Acquisition of Assets**

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

**(k) Share Based Payments**

The fair value of options and shares of the company issued to directors and other parties is recognised as an expense in the financial statements in relation to the granting of these options.

**(l) Employee Benefits**

*(i) Wages, salaries and annual leave*

Liabilities for wages, salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

*(ii) Superannuation*

Contributions are made by the company to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

*(iii) Employee benefit on costs*

Employee benefit on costs, including payroll tax, are recognised and included in employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

*(iv) Options*

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date.

The fair value at grant date is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

**GREENLAND MINERALS AND ENERGY LTD  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

Upon the exercise of options, the balance of the share based payments relating to those options is transferred to share capital.

**(m) Earnings Per Share**

*(i) Basic earnings per share*

Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

*(ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**(n) Issued Capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

**(o) Critical Accounting Estimates and Judgement**

The preparation of a Financial Report conforming with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 period if the revision affects both current and future periods. Judgements made by management in the application of IFRS that have a significant effect on the Financial Report and estimates with a significant risk of material adjustment in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

**GREENLAND MINERALS AND ENERGY LTD**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

	2007	2006
	\$	\$
<b>NOTE 2: OTHER REVENUE</b>		
Revenue from outside operating activities		
Interest	201,641	21,272
Rental income	26,600	-
Revenue from ordinary activities	228,241	21,272

**NOTE 3: PROFIT FROM ORDINARY ACTIVITIES**

Profit from ordinary activities has been determined after expenses

- remuneration of auditor	31,000	10,000
- other services	1,850	-
	32,850	10,000

**NOTE 4: INCOME TAX EXPENSE**

The components of tax expense comprise:

Current tax	-	-
Deferred tax	-	-
	-	-

The prima facie tax payable on the operating Profit/(loss) is reconciled to the income tax provided in the accounts as follows:

Prima facie income tax payable on operating profit/(loss)

calculated at 30%	(59,910)	(97)
Non allowable items	5,255	785
Effect of timing differences not previously taken up		
(Decrease)/increase in deferred tax asset not brought to account	54,655	(688)
Income tax expense/(benefit)	-	-

The following deferred tax balances have not been accounted for:

Deferred tax assets:

At 30%

Carried forward tax losses	903,515	12,641
Capital raising costs	53,544	67,354
Provisions and accruals	5,400	3,081
	962,459	83,076

The tax benefits of the above deferred tax assets will only be obtained if:

- The company derives future assessable income of a nature and an amount sufficient to enable the benefits to be utilised;
- The company continues to comply with the conditions for deductibility imposed by law; and
- No changes in income tax legislation adversely affect the company utilising the benefits.

**GREENLAND MINERALS AND ENERGY LTD  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

	2007	2006
	\$	\$
<b>NOTE 4: INCOME TAX EXPENSE (cont)</b>		
Deferred tax liabilities:		
At 30%		
Exploration expenditure	818,643	-
Other	2,298	-
	820,941	-

The above deferred tax liabilities have not been recognised as they have given rise to the carry forward tax losses for which the deferred tax asset has not been recognised.

	2007	2006
	\$	\$
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	-	60
Cash at bank	1,178,535	703,671
Deposits maturing within 4 months	1,232,857	3,000,000
	2,411,392	3,703,731

Cash at bank is earning interest on floating interest rates between zero and 5.5%.  
Deposits are earning interest at rates ranging from 5.98% to 6.11%.

<b>NOTE 6: TRADE AND OTHER RECEIVABLES</b>		
Trade and other receivables	34,785	500
GST recoverable	37,373	47,691
Income tax refundable	-	1,826
	72,158	50,017

<b>NOTE 7: EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE</b>		
Costs carried forward in respect of interests in:		
Exploration and/or evaluation phase	331,867	-
Add:		
Exploration and/or evaluation phase in the current year	2,396,944	331,867
	2,728,811	331,867

<b>NOTE 8: TRADE AND OTHER PAYABLES</b>		
Accruals	152,754	35,094



**GREENLAND MINERALS AND ENERGY LTD**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

	2007	2006
	\$	\$
<b>NOTE 9: ISSUED CAPITAL</b>		
Fully paid ordinary shares	5,519,895	4,330,060
Less: capital raising expenses	<u>281,666</u>	<u>(279,215)</u>
	<u>5,238,229</u>	<u>4,050,845</u>

**Movements in issued capital**

Date	Detail	Issue Price \$	Number	\$
21/02/2006	Issued on incorporation	0.20	300	60
10/04/2006	Seed capital	0.01	11,000,000	110,000
14/06/2006	Ordinary shares for cash	0.20	20,000,000	4,000,000
14/06/2006	Ordinary shares for exploration permit	0.20	1,100,000	220,000
25/10/2006	Options converted	0.20	22,900	4,580
25/10/2006	Transfer of options from option premium reserve	0.005	-	115
28/06/2007	Placement	0.25	3,200,000	800,000
29/06/2007	Options converted	0.20	1,878,731	375,746
29/06/2007	Transfer of options from option premium reserve	0.005	-	9,394
30/06/2007	Balance		<u>37,201,931</u>	<u>5,519,895</u>
	Less: capital raising costs			<u>(281,666)</u>
				<u>5,238,229</u>

**NOTE 10: OPTION PREMIUM RESERVE**

Date	Detail	Issue Price \$	Number	\$
13/07/2006	Issue pursuant to prospectus	0.005	32,100,300	160,502
25/10/2006	Options converted		(22,900)	(115)
29/06/2007	Options converted		<u>(1,878,731)</u>	<u>(9,394)</u>
30/06/2007	Balance		<u>30,198,669</u>	150,993
	Less: capital raising costs			<u>(10,166)</u>
				<u>140,827</u>

**NOTE 11: DIVIDENDS**

No dividends have been proposed or paid during the period.

	2007	2006
	\$	\$
Balance of franking account at period end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and any credits that may be prevented from distribution in subsequent periods.	<u>NIL</u>	<u>NIL</u>

**GREENLAND MINERALS AND ENERGY LTD  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

	2007 \$	2006 \$
<b>NOTE 12: NOTE TO STATEMENT OF CASH FLOWS</b>		
Reconciliation of cash flows from operations with profit/(loss) from ordinary activities after income tax.		
Profit/(loss) from ordinary activities after income tax	(199,700)	(324)
Non-cash flows in loss from ordinary activities:		
Depreciation	13,599	-
Changes in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	(22,141)	(48,191)
Increase/(decrease) in trade and other payables	117,660	35,094
Income tax paid	-	(1,826)
	(90,582)	(15,247)
Net cash provided by/(used in) operating activities	(90,582)	(15,247)

The company has no loan facilities.

**NOTE 13: FINANCIAL INSTRUMENTS**

The entity's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities in as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing	
	2007	2006	2007	2006	2007	2006
FINANCIAL ASSETS	%	%	\$	\$	\$	\$
Cash at bank & on hand	5.96	5.8	2,411,392	3,703,731	-	-
Trade and other receivables	-	-	-	-	72,158	50,017
Total financial assets			2,411,392	3,703,731	72,158	50,017
<b>FINANCIAL LIABILITIES</b>						
Trade and other payables	-	-	-	-	152,754	35,094
Total financial liabilities			-	-	152,754	35,094

**NOTE 14: SEGMENT INFORMATION**

The entity operates in one geographical segment for secondary reporting being Australia and in one business segment being exploration for minerals.

**GREENLAND MINERALS AND ENERGY LTD  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 15: EVENTS SUBSEQUENT TO BALANCE DATE**

The Company called a comprehensive shareholder meeting held on the 31 July 2007 to approve the acquisition of a joint venture interest (now 61%) in our Kvanefjeld project as well as a number of ancillary resolutions relating to raising capital, changes to the board and issues of shares and options to a number of parties including directors. All resolutions were passed at the meeting. The full text of these resolutions and accompanying papers are publicly released as the notice of meeting dated 22 June 2007.

***Change of Name***

The company effected its change of name to Greenland Minerals and Energy Ltd on the ASX on 9 August 2007 following issue of a Certificate of Registration of Change of Name by the Australian Securities and Investment Commission on 2 August 2007.

***Contractual issues***

The following contracts were settled on the 16 August 2007 in accordance with those approvals:

- The Chahood Share Sale Deed dated 14 May 2007 and entered into between the Company and GCM Nominees Ltd. GCM Nominees Limited has been allotted 35,000,000 shares and received \$1,000,000 payment. GCM Nominees Ltd have advised acceptance of completion of the acquisition of Chahood Capital Limited and the company holds a share certificate for the whole of the issued capital of Chahood Capital Limited in its name.
- The Joint Venture Agreement (under which the Company and Chahood Capital Limited are parties following the execution of the Deed of Assumption) pursuant to which consideration is to be paid to Westrip Holdings Ltd to acquire a further interest in the joint venture. Westrip Holdings Limited received its initial required \$500,000 payment on 16 August 2007 and an allotment of 30,000,000 ordinary shares. The company has received a comprehensive acknowledgment from Westrip Holdings Limited of its rights in the joint venture. Of the \$1,500,000 outstanding to be paid to Westrip the company has paid as at the date of these accounts a further \$500,000. In accordance with the terms of that agreement a further \$1,000,000 will be paid in the next 2 months.

***Corporate Advisor's securities***

Subject to share price hurdles the company was obligated to issue up to 30,000,000 shares and 100,000,000 options to Gravner Limited. As at the date of this report 15,000,000 ordinary shares and 75,000,000 options have been issued.

***Placements of securities for cash***

The following cash placements were allotted on the 16 August 2007 in accordance with those approvals:

- 8,800,000 ordinary shares at \$1.00 per share.
- 30,000,000 ordinary shares at 25 cents per share and 15,000,000 options in accordance with the prospectus dated 25 July 2007.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 15: EVENTS SUBSEQUENT TO BALANCE DATE (cont)**

***Changes to the board***

At the shareholder meeting held on the 31 July 2007 shareholders approved a number of further appointments to the board subject to settlement of the transactions considered at that meeting, and further, the prospectus dated 25 July 2007 also foreshadowed a number of appointments.

On the 23 August 2007 the composition of the board became:

Dr. Hans Kristian (Hank) Schönwandt **Chairman**  
Mr Roderick McIllree **Managing director**  
Mr Simon Cato **Executive director**  
Mr Jeremy Whybrow **Exploration director**  
Mr Malcolm Mason **Technical director**  
Mr Tony Ho **Non-Executive director**  
Mr Simon Stafford-Michael **Non-Executive director**

***Director Incentive Options***

At the 31<sup>st</sup> July 2007 General Meeting incentive Options were approved to be issued to Simon Cato, Roderick McIllree and Jeremy Whybrow as existing Directors and to Malcolm Mason as a proposed Director.

The Options to be issued to each of Messrs Cato, McIllree and Whybrow were issued on the 23 August 2007 but will be constituted by three tranches. Details of the vesting hurdles and the exercise price of the three tranches for each of Messrs Cato, McIllree and Whybrow are as follows:

<b>Tranche</b>	<b>Number of Options</b>	<b>Vesting Hurdle*</b>	<b>Exercise Price</b>
1 <sup>st</sup>	2,200,000	The volume weighted average price of the Shares is 50 cents or more for 20 consecutive trading days	20 cents
2 <sup>nd</sup>	2,200,000	The volume weighted average price of the Shares is \$1.00 or more for 20 consecutive trading days	20 cents
3 <sup>rd</sup>	2,200,000	The volume weighted average price of the Shares is \$1.50 or more for 20 consecutive trading days	20 cents

Once the Share price criteria is satisfied, the Options will only vest upon delivery of subsequent written notification of vesting from the Option holder to the Company.

**GREENLAND MINERALS AND ENERGY LTD  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 15: EVENTS SUBSEQUENT TO BALANCE DATE (cont)**

The Options to be issued to Malcolm Mason or his nominee were issued on the 23 August 2007 but will be constituted by two tranches. Details of the vesting hurdles and the exercise price of the two tranches are as follows:

Tranche	Number of Options	Vesting Hurdle*	Exercise Price
1 <sup>st</sup>	2,000,000	Malcolm Mason continues to serve as a Director of the Company for 12 consecutive months and makes himself available to provide technical geological services including field services upon the Kvanefjeld Project	20 cents
2 <sup>nd</sup>	1,000,000	Malcolm Mason continues to serve as a Director of the Company for 18 consecutive months and makes himself available to provide technical geological services including field services upon the Kvanefjeld Project.	20 cents

\* The vesting criteria will be waived so that the criteria is satisfied in the event a takeover or scheme of arrangement is successfully completed in relation to the Company or Malcolm Mason dies. Once the vesting criteria is satisfied, the Options will only vest upon delivery of subsequent written notification of vesting from the Option holder to the Company.

Otherwise, the terms of the Options to be issued to each of Messrs Cato, McIllree, Whybrow and Mason are as follows:

- (a) Each Option entitles the holder to one Share.
- (b) Subject to the vesting, the Options are exercisable at any time prior to 5pm Western Standard Time on 30 June 2011 (Expiry Date).
- (c) The exercise price of the Options is 20 cents per Option.
- (d) Until the Options are vested, the Options will be unlisted and will not be transferable except with the approval of the Board. Once the Options are vested, the Company will apply to have the Options listed and the Options will be freely transferable.
- (e) The Company will provide to each Options holder a notice that is to be completed when exercising the Options (Notice of Exercise). Subject to these terms, the Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
- (f) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder in accordance with paragraph (e) will be allotted and issued a Share ranking pari passu with the then issued Shares.
- (g) There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Optionholders the opportunity (where available) to exercise their Options prior to the date for determining entitlements to participate in any such issue.



**GREENLAND MINERALS AND ENERGY LTD  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 15: EVENTS SUBSEQUENT TO BALANCE DATE (cont)**

- (h) If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
- (i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.
- (j) In the event that the Company makes a pro rata issue of securities, the exercise price of the Options will be adjusted in accordance with the formula set out in Listing Rule 6.22.2.

***Existing issued capital as at the date of this report.***

156,101,081 ordinary shares  
121,669,528 listed options  
22,800,000 Directors unlisted unvested options

Of these the following are subject to escrow;

8,740,285 ordinary shares until 20 June 2008.  
1,100,000 ordinary shares on which voluntary escrow applies until 7 June 2008.  
65,000,000 ordinary shares until 21 August 2009.  
22,800,000 Directors unlisted unvested options until 21 August 2009.

**NOTE 16: COMMITMENTS FOR EXPENDITURE**

In order to maintain current rights of tenure to exploration licences, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements. These obligations are not provided for in the financial report and are approximately 1,150,000 per year.

If the Company decides to relinquish certain licences and/or does not meet these obligations, assets recognized in the balance sheet may require review to determine the appropriateness of the carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

	2007	2006
	\$	\$
Commitments for minimum lease payments for rental of premises in relation to the company but not recognised as liabilities, payable:		
Within one year	63,885	61,835
Later than 1 year but not more than 5 years	157,721	234,457
	221,606	296,292



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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
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**NOTE 18: RELATED PARTIES**

*Loans to key management personnel and their related parties*

There were no loans outstanding at the reporting date to key management personnel and their related parties.

*Other transactions with the Company*

No director has entered into a material contract (apart from employment) with the Company since the incorporation of the Company and there were no material contracts involving directors' interests subsisting at year end.

*Director related entities*

- Pro Count Pty Ltd a company of which Mr Miles Guy is a director was paid director fees of \$16,350 during the year. This amount is included in the remuneration report.
- Whybrow Consulting, a company which Mr Jeremy Whybrow is a director was paid director fees of \$94,095. Of that total, \$50,495 was related to consultancy fees.
- Roderick Millree, a company of which Mr Roderick Mcillree is a director was paid director fees of \$18,773 during the year. Of this amount, \$7,873 was related to consultancy fees.

**NOTE 19: COMPANY DETAILS**

The registered office and principal place of business of the company is Ground Floor, 33 Colin Street, West Perth, WA, 6005.



*Greenland Minerals  
and Energy Ltd*

ABN 85 118 463 004 Office: Ground Floor 33 Colin Street West Perth Western Australia 6005  
Postal: PO Box 1304 West Leederville WA 6901  
Telephone: +61 8 92261100 Facsimile: +61 8 9226 2299 Website: [www.ggg.gl](http://www.ggg.gl)