GREENLAND MINERALS LTD

2019 ANNUAL REPORT

MATERIALS FOR AN ENERGY EFFICIENT FUTURE

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Corporate Directory

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

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Miles Guy

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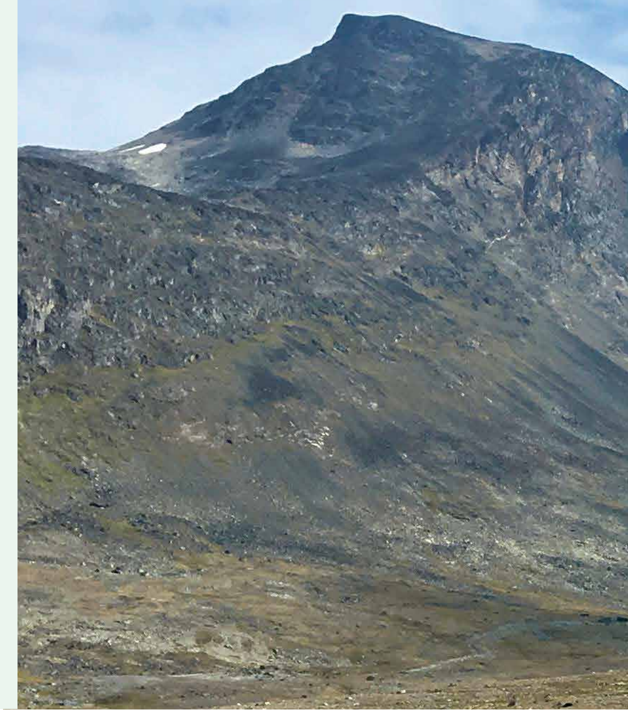


2019 HIGHLIGHTS

Greenland hits international headlines; rare earths in the spotlight

Outstanding optimisation outcomes emphasize Kvanefjeld's global significance

Community ties strengthened via memorandum of understanding and ongoing engagement

Major permitting progress; social impact assessment accepted for public consultation, environmental studies advanced

Chairman's Letter

Dear Fellow Shareholder,

In 2019, Greenland hit the international headlines, boosting its profile and mainstream awareness. This coincided with the finalization of optimization studies on the Kvanefjeld rare earth project that demonstrated Kvanefjeld is one of, if not the most, significant emerging rare earth projects globally. Given the recognition of key rare earths, particularly the ‘magnet metals’, as critical elements with looming supply shortage, a new level of international interest was focused on the Kvanefjeld Project and our Company’s future strategy and plans. Visitors to the town of Narsaq to visit the project area included international government representatives, journalists from international media outlets, along with documentary makers.

The excellent outcomes of the optimization program stemmed from what has been a very productive and cooperative working relationship with Shenghe Resources Holding Co Ltd, and fulfilled a vision of how best to maximise the Kvanefjeld projects strengths that was conceived in 2016. Under the guidance of Shenghe’s internationally renowned metallurgical expertise, a joint technical committee oversaw work programs in China and Australia. The outcomes of this work, along with markedly improved civil engineering costs, led to circa 40% reductions in both capital and operating costs. This has Kvanefjeld positioned as one of the lowest-cost emerging producers that has a unique production profile rich in neodymium, praseodymium, terbium and dysprosium.

In parallel to optimistation studies, project permitting continued to be a key focal point of activity. It was a significant milestone to have the social impact assessment accepted for public consultation, and substantial progress was made toward finalizing the environmental impact assessment. A heighted level of communication and guidance from the Greenland Government has been of great assistance in focusing additional studies that are now being finalized. These have been conducted by carefully selected independent specialists, and we continue to apply highly experienced consultants to ensure the EIA is thorough, and of a high standard.

This year we aim to work in close communication with the Greenland Government to move the project through a public consultation phase that we can then follow-up to finalise the requirements of an exploitation license. We continue to work with Shenghe to advance our development plans, where greater focus will shift to off-take and marketing discussions and the downstream processing strategy. Building ties to European industry will build on positive initiatives undertaken in 2019, which included Shenghe Chairman presenting at the Confederation of Danish Industry’s Greenland conference in December. The COVID 19 virus will unquestionably influence global logistics through 2020, and we will look to keep shareholders informed as best as we can through this period.

Finally, I’d like to acknowledge the diligent and committed efforts of our staff in Greenland and Australia, our Shenghe colleagues, and our key consultants.

Yours sincerely

Anthony Ho

Non-executive Chairman

KVANEFJELD IS ONE OF, IF NOT THE MOST, SIGNIFICANT EMERGING RARE EARTH PROJECTS GLOBALLY.

Operations Report

2019 OVERVIEW AND REVIEW OF OPERATIONS

In 2019, Greenland's international profile was boosted substantially, on the back of heightened interest from the United States that reflected Greenland's natural resource endowment and strategic location. Rare earth elements are central to the growing wave of interest in Greenland's resources sector owing to their criticality to clean energy generation and efficient energy use, coupled with limited global supply networks.

Rare earth permanent magnets will see drastic increases in demand in the coming years due to the roll out of electric vehicles, wind turbines, amongst an ever-growing list of other applications. These magnets utilise the properties of neodymium, praseodymium, terbium and dysprosium that will all see unprecedented demand increases as a result.

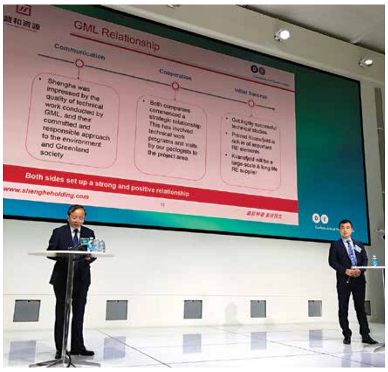
Greenland Minerals Ltd's 100% owned Kvanefjeld rare earth project is one of the most significant emerging rare earth projects globally. Favourably located in southern Greenland, a region which features a mild climate and the benefits of existing infrastructure, Kvanefjeld is well-placed to be developed as a major new supplier of critical rare earth materials. The Project is underpinned by one of the largest code-compliant (JORC, CIM) resources and reserves of rare earths globally. The unique rare earth minerals at Kvanefjeld can be effectively processed with a simple, highly efficient methodology that has been rigorously developed and tested in conjunction major shareholder and specialist international rare earth supplier Shenghe Resources Holding Co Ltd (Shenghe).

In 2019, GML finalised project optimisation that delivered exceptional results which included major reductions to both capital and operating costs, and a highly competitive cost structure. Project optimisation drew on metallurgical studies that were jointly undertaken with Shenghe through 2017-2019, as well as civil engineering studies based on field investigations in southern Greenland by a collective of specialist engineering firms. This has Kvanefjeld positioned to be one of the lowest cost, largest producers of all key rare earths (Nd, Pr, Tb, Dy), over an initial 37 year mine life.

Substantial progress was also made in finalising the Environmental Impact Assessment (EIA), a key component of project permitting. EIA reviews were received in October, and subsequent meetings with Greenland's Environmental Agency for Mineral Resource Activities EAMRA resulted in a clear and structured approach to finalising the EIA. Many areas of the EIA are closed out and additional work programs are set for completion in the first quarter of 2020. The EIA for Kvanefjeld draws on many technical studies by a cross section of specialist independent consultants that have been carefully selected based on their reputation and competency. The process has been designed to be thorough and rigorous in understanding and investigating risks associated with project development, operation and closure.

Growing Geopolitical Interest

In May, the Company was an invited participant in the 'Future Greenland' conference, held in Nuuk, where GML's Managing Director Dr John Mair presented in the mining session. During this period Dr Mair had the opportunity to meet with



the US Ambassador to Denmark Carla Sands and her aids to discuss Greenland's emerging mining sector, the rare earth industry, and the status and outlook of the Kvanefjeld Project.

Through early July, GML participated in a joint research program conducted by Greenland's Department of Geology and the US Geological Survey that aimed to produce updated geological and geophysical data over southern Greenland's rare metal province. As part of this initiative, the research team spent several days studying the geology of the Kvanefjeld Project area through visiting outcropping ore zones and examining drill cores at the Company's operations base in Narsaq. Datasets along with study outcomes are to be made freely available and aim to continue to build the profile of one of Greenland's most significant mineral provinces. Following the USGS field work, Ambassador Sands visited southern Greenland and GML's operations base in Narsaq. The US Greenlandic Affairs Officer Mr Sung Choi also visited the Kvanefjeld Project where Ib Laursen, GML's operations manager based in Narsaq, provided a tour of the Kvanefjeld mine area and the planned infrastructure layout.

In early December, GML's Managing Director joined a delegation from Shenghe, GML's largest shareholder and strategic partner, to participate in the Confederation of Danish Industry's Greenland-focussed conference, held in Copenhagen. Shenghe were represented by Mr Hu Zesong (Chairman and CEO), Mr Guo Xiaolei (Secretary to the Board, Shenghe, GML Director), and Ms Jean Fan (Assistant Manager, Investment and Development, Shenghe).

This was an excellent opportunity for Shenghe's Chairman, Mr Hu Zesong, to present an overview to a cross section of industry, government and media representatives from Greenland and Denmark on the outlook for the rare earth sector, Shenghe's international growth strategy and significant role the Kvanefjeld Project can play. The visit to Denmark allowed for a productive meeting of the Shenghe/GML delegation with Greenland's Minister for Mineral Resources, Mr Vittus Qujaukitsoq, to discuss the forward strategy for the Kvanefjeld Project, and its importance to future rare earth supply. Meetings were also held with Mr Brian Buss, head of Greenland's business association, as well as Danish government representatives.

Operations Report (continued)

Permitting Update

Project permitting remains a key point of Company focus. Over the last couple of years GML has worked through a guidance, or review phase, that is aimed at preparing social and environmental impact assessments for public consultation, and the subsequent production and approval of a white paper. The scope of the impact assessments is framed by the 'terms of reference', which were approved after public consultation in late 2015.

Changes to the administrative structure in 2019 that relates to mineral resources have aimed to centralise responsibilities with areas of Social Impact Assessments (SIA) and Impact Benefit Agreements (IBA) shifting from the Ministry of Industry and Energy, back to the Ministry for Mineral Resources and Labour.

A new minerals strategy has also been put forward for consultation by the Greenland Government to streamline the permitting process and make it faster, simpler and more transparent. This reflects a growing awareness that more can be done to improve the regulatory conditions for the minerals industry, and that improvements are required. In the Company's view, it is positive to see industry feedback taken on board.

For GML, a lot of progress was made in 2019 on finalising the Kvanefjeld mining license application for public consultation. The SIA and Maritime Safety Study (MSS) have been accepted for public consultation. The latest feedback on the EIA, received in mid-October, has been presented in a considerably more structured approach with feedback focussed on isolating a small number of priority areas (Type 1 issues) where further information has been requested prior to a public consultation. This presents a much clearer and more structured path forward.

Social Impact Assessment

In late March, GML announced an important permitting milestone, with the SIA review and guidance period coming to completion and the SIA accepted for public consultation.

Greenland's Mineral Resources Act requires that applicants for mining exploitation licences submit a Social Impact Assessment, and a complementary Environmental Impact Assessment ("EIA"), as part of their applications. Both assessments must be made available for public consultation once they have been reviewed and accepted by the relevant Greenlandic authorities.

An SIA is reviewed by the Ministry of Industry and Energy ("MIE") and an EIA is reviewed by Greenland's Environmental Agency for Mineral Resource Activities (EAMRA).

The purpose of public consultation is to allow an opportunity for stakeholders to provide feedback on impact assessments thereby helping to ensure that the all impacts and potential issues are described and addressed to the satisfaction of local communities.

Importantly, GML has conducted consistent stakeholder meetings such that the SIA and EIA have been developed with considerable stakeholder input.

The Company's SIA was prepared by Shared Resources Pty Ltd, an independent Australian consultant specialising in international social impact assessments for natural resources projects incorporating best practice benchmarks and the International Finance Corporation's "Performance Standards". The SIA has been translated to Greenlandic and Danish and is standing by for the public consultation phase when the EIA has been finalised.

THE PURPOSE OF PUBLIC CONSULTATION IS TO ALLOW AN OPPORTUNITY FOR STAKEHOLDERS TO PROVIDE FEEDBACK ON IMPACT ASSESSMENTS THEREBY HELPING TO ENSURE THAT THE ALL IMPACTS AND POTENTIAL ISSUES ARE DESCRIBED AND ADDRESSED TO THE SATISFACTION OF LOCAL COMMUNITIES.

Environmental Impact Assessment

In June, GML lodged the revised EIA with the Greenland Government. The EIA included additional background studies that were updated by independent specialist consultants following ongoing guidance by the Greenland Government and their advisory groups. This did not change the outcomes of the EIA but continued to build an in-depth understanding of the project and all potential impacts and associated risks.

The EIA for Kvanefjeld was reviewed through August – September 2019, with feedback received from Greenland's Environmental Agency for Mineral Resource Activities (EAMRA) in October.

In the review feedback EAMRA separated outstanding environmental issues into two categories: Type 1; those where EAMRA require more information before the EIA can be accepted for public consultation; and Type 2; which can be answered after the process of formal public consultation has been completed and finalised before exploitation plans are approved. This represents an important step as it brings further work down to a small subset of areas in order to see the EIA accepted for public consultation.

Through November and early December GML conducted a series of constructive meetings with EAMRA and their advisors, to discuss Type 1 issues and the approach to finalising the EIA. Scopes of work for additional studies were reviewed, and additional work programs were commissioned.

Most of the supplemental work relates to tailings storage facilities: more detailed modelling of scenarios for embankment failure; more detailed review of seismic conditions to validate long term stability of tailings structures; and a request to investigate the viability of an alternative "dry closure" option for the planned tailings facility.

Independent specialist consultant Klohn Crippen Berger (KCB) have been engaged to perform the supplemental tailings studies. Work by KCB will build on existing tailings studies conducted by AMEC Foster Wheeler (now Wood Group). KCB are a new consultant to contribute to the project and will provide an external assessment of existing environmental designs. Their work on the tailings-related Type 1 issues was completed in March 2020.

Arcadis, who have conducted several studies on the Kvanefjeld Project on radiation, were retained by GML to conduct supplemental work and further clarify the outcomes of existing studies.

The supplemental studies will add further detail to the EIA and is an important step in developing the EIA to the highest standards possible. Through this rigorous approach GML will provide confidence to Greenland stakeholders that the environmental impact of the Kvanefjeld Project has been investigated rigorously. The supplemental studies will build upon previous assessments and are not addressing any gap or any new environmentally critical issues.

All supplemental studies are scheduled to be completed in Q1, 2020, and an updated EIA incorporating the supplemental studies to address all Type 1 issues will be lodged with the Greenland Government around end of Q1 2020.

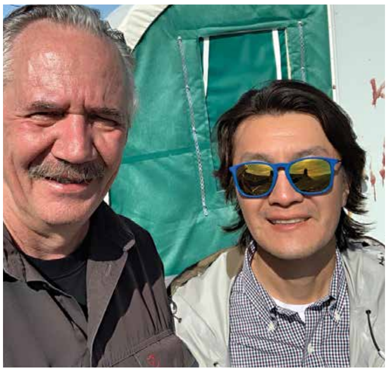
Participation Agreement with South Greenland Community

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

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

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

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



COMMUNITY TIES STRENGTHENED VIA MEMORANDUM OF UNDERSTANDING AND ONGOING ENGAGEMENT

Technical Work – Laboratory

Metallurgical test work continued in Q1 and Q2 with a main focus on the development of a simple single stage leach for the recovery of rare earths. The simplified leach process significantly reduces capital and operating costs and process complexity. The leach process results in better overall rare earth recoveries with the simultaneous dissolution of rare earths and uranium. Vendor filtration test work confirmed good filterability of the leach residues and high wash efficiencies.

Following the completion of technical studies in Q1 and Q2 that focussed on metallurgical flowsheet optimisation, laboratory work shifted to further improve radionuclide removal. This has been highly successful with the elimination of thorium and residual uranium from intermediate rare earth concentrate, without rare earth losses. This process also removes other non-radioactive species to improve the overall purity of intermediate rare earth concentrates. Test work in this area is ongoing and will ensure that intermediate products can be exported to a number of facilities for further processing to produce individual rare earth oxides and metals.

SGS Oretest Laboratories (Perth) has also been successful in producing uranium oxide (non-commercial quantities) from Kvanefjeld ore utilising the optimised flowsheet. A detailed chemical analysis was performed on the resulting uranium precipitate which confirmed that it meets all relevant specifications for a commercial uranium oxide product (meets all the specifications of the Orano and ConverDyn converters). SGS Oretest Laboratories is an independent laboratory which has full accreditation in radiation testing and as a storage facility.

Kvanefjeld Project – Optimised Feasibility Outcomes

The optimisation of the Kvanefjeld Project, which has been underway since 2017, has focused on metallurgical performance and civil design and engineering. These studies built on the 2016 Kvanefjeld Feasibility Study, following the commencement of cooperation with Shenghe. The outcomes of these studies were finalised during Q2, 2019. The reduction in the capital cost estimate is the result of optimisation studies covering all elements of the Project from the flowsheet to civil construction. The results of individual optimisation studies have been the subject of progressive updates to the market since 2016.

Key Outcomes:

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

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

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

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

Average annual by-product output includes:

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

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

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

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

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

Field Work

The summer period in Greenland saw a steady flow of visitors to the Kvanefjeld Project site that reflects the growing profile of the project. Across late June and early July, a field work program led by the US Geological Survey investigated the local and regional geology, including the examination of drill cores and broader geophysical surveys.

In August, geologists from Shenghe and IMUMR were onsite for several weeks as part of ongoing field studies that feed into the broader technical work that has been underway with GML over the last 3 years. This visit provided the opportunity to walk through the outcomes of the optimised civil engineering strategy that concluded late in 2018, and to discuss the status of environmental studies in consideration of the proposed project layout.

Journalists from a cross section of international media groups continue to visit the project to document the ongoing evolution of the Kvanefjeld Project, amidst its growing significance to Greenland's resources sector and future supply of critical rare earth materials.

Environmental baseline surveys for both water and dust monitoring are ongoing.

ACROSS LATE JUNE AND EARLY JULY, A FIELD WORK PROGRAM LED BY THE US GEOLOGICAL SURVEY INVESTIGATED THE LOCAL AND REGIONAL GEOLOGY

Review of Operations

Capital Raising: Successful Placement Secures $7M

In July, GML conducted as successful capital raise to secure $7M (before costs). Ashanti Capital acted as Lead Manager of the Placement, with shares placed to both prominent institutional and sophisticated investors. These investors included both new and existing shareholders.

The placement was limited to institutional and sophisticated investors in accordance with Section 708 Corporations Act with shares issued within the Company's Listing Rule 7.1 capacity. The participation of numerous Australian funds is a strong endorsement of the Company's significant progress in advancing Kvanefjeld toward development and as the outlook for the rare earth sector continues to strengthen.

Greenland's Role in New RE Supply Chains

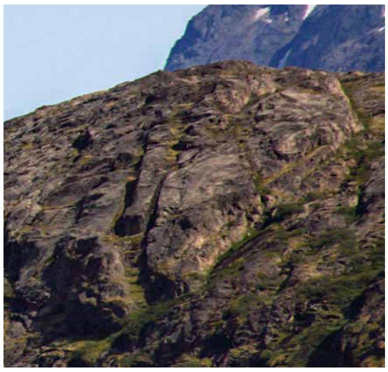
GML is at the forefront of a strategic evolution in rare earth supply. Major changes are coming to global rare earth supply, with China looking to restrict primary mine supply in the near term, at a point when demand is set to surge. Prior to establishing a strategic relationship with leading rare earth company Shenghe in 2016, the Company had been actively engaging international rare earth industry participants for a number of years, the majority of which are based in China; a process which provided strong insight into how the industry was evolving and reshaping.

Kvanefjeld has numerous key attributes that, when integrated with Shenghe's downstream processing technology, capacity and industry-proven experience, will play an important role in new supply networks. These include:

- ✓ **Scale – largest code-compliant rare earth resource, ore reserve for initial 37-year mine life**
- ✓ **Scale – largest code-compliant rare earth resource, ore reserve for initial 37-year mine life**
- ✓ **Simple mining with 1:1 strip ratio over initial 37-year mine life**
- ✓ **Composition – ideal production profile across key rare earths – Nd, Pr, Tb, Dy**
- ✓ **RE minerals that allow for simple, highly efficient processing**
- ✓ **Multiple by-product revenue streams to strengthen project economics (U_3O_8, zinc, fluorspar)**
- ✓ **Strong economic metrics, - low capital intensity and operating costs in a positive global macro environment**
- ✓ **Favourable country and project location with ice-free direct shipping access, international airport nearby**
- ✓ **Regulatory framework implemented to manage project operation and export controls**

FAVOURABLE COUNTRY AND PROJECT LOCATION WITH ICE-FREE DIRECT SHIPPING ACCESS, INTERNATIONAL AIRPORT NEARBY





2020 Outlook

In 2020, GML is aiming to build on the strong outcomes achieved across key areas in 2019, to position the Company's 100% owned Kvanefjeld Project for the development pipeline.

The Company is aiming to have addition EIA related studies, and the updated EIA document finalised in Q1 2020 and to lodge these items with the Greenland Government. Clear lines of communication are established with Greenland's EAMRA, and Ministry of Mineral Resources in order to see EIA reviews conducted efficiently, with the aim of mapping out a time and plans for public consultation and a schedule for follow-up steps.

The main technical work programs planned include pilot plant operations of the optimised flow-sheet, with a flotation pilot plant to be undertaken first. These will be conducted in Perth with input from Shenghe and BTMR Laboratories. GML has abundant bulk samples of a range of ore-types available in Perth.

The Company will continue to work closely with Shenghe to progress the development strategy. Areas of focus include downstream processing, marketing and off-take, and project finance. GML is looking to establish greater ties to European industry, particularly given the strong demand increases for rare earths that will come with the rapid expansion of electric vehicle manufacturing, and European industry's requirement for consistent and stable supply of these critical materials.

Some activities, including field work in Greenland may be impacted logistically by the impacts of the COVID-19 virus. The Company will aim to keep shareholders updated on the status and outlook for all activities.

Operations Report (continued)

Competent Person Statement – Mineral Resources Ore Reserves and Metallurgy

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

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

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

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

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

THE VAST KVANEFJELD RESOURCE IS ENRICHED IN ALL COMMERCIALLY IMPORTANT RARE EARTH ELEMENTS.

GREENLAND MINERALS LTD

2019 ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS' REPORT

The directors of Greenland Minerals Limited (the Company) submit herewith the annual financial report of Greenland Minerals Limited and its subsidiaries (the Consolidated Group) for the financial year ended 31 December 2019, pursuant to the provisions of the Corporations Act 2001. The directors report the following:

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

Anthony Ho, Non-Executive Chairman
John Mair, Managing Director
Simon Cato, Non-Executive Director
Xiaolei Guo, Non-Executive Director

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

Miles Simon Guy – *M.Com(PA), MIPA, FCIS, FGIA, MAICD* is a qualified accountant with more than 20 years' experience in both public practice and commerce.

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

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

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

Operating Results
The net loss after providing for income tax amounted to $2,851,390 (2018: loss $2,829,967).

Review of operations
Refer to the Operations Report on pages 4 to 14.

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

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

Shares
During the year ended 31 December 2019, 58,333,334 ordinary shares of Greenland Minerals were issued, as detailed in Note 17 to the financial report.

The total number of ordinary shares on issue at 31 December 2019 was 1,190,982,530 (31 December 2018: 1,132,649,196).

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

DIRECTORS' REPORT

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

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

Options
During the year ended 31 December 2019 the number of options and performance rights of Greenland Minerals Limited that were issued are detailed in Note 25 to the financial report.

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

Issuing entity	Number of shares under option	Number of Shares under employee rights	Class of shares	Exercise price of option	Expiry date of option/right
Greenland Minerals Limited	4,000,000	-	Ordinary shares	$0.15	31 March 2021
Greenland Minerals Limited	-	6,000,000	Ordinary shares	-	31 May 2020
Greenland Minerals Limited	-	8,600,000	Ordinary shares	-	31 July 2021

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

Financial Position
The net assets of the Consolidated Group were $94,489,369 as at 31 December 2019 (2018: $91,767,810).

Dividends
During the financial year ended 31 December 2019, no dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year. No dividends were paid in the comparative period ended 31 December 2018.

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

Future Developments
The Consolidated Group will continue to evaluate the Kvanefjeld project and the development alternatives for the project, as referred to elsewhere in this report, particularly in the Operations Report on pages 4 to 14.

Subsequent Events
Subsequent to the end of the financial year there have been considerable economic disruptions arising from the outbreak of COVID-19 virus. The Group considers this to be a non-adjusting post balance sheet event. At the date of signing the financial report the Group is unable to determine what financial effects the outbreak of the virus could have on the Group in the coming financial period. The Groups has clear lines of communications in place with Greenland Government departments and has been informed that they are structured and positioned to be able to coordinate the review of updated EIA material.

Once outstanding Kvanefjeld Project EIA issues have been satisfied, the Group will be working with Greenland to plan a public consultation period. At the point of commencement of public consultation, the impact assessments and non-technical summaries are made available on the Government of Greenland website. Public meetings are typically part of this process. The Group will communicate with Greenland on the logistics of conducting public meetings, primarily in southern Greenland, when the government is satisfied that they are ready to present the Project for consultation. The Group will look to keep the market informed of developments concerning the status of the EIA, the scheduling of a public consultation period, and how this important process will be conducted.

No financial effects arising from the economic impacts of the virus have been included in the financial results for the year ended 31 December 2019.

The Company has already implemented a number of actions, with a range of expenditure containment measures designed to deal with prolonged economic and logistical impacts of the COVID19 outbreak. Further contingency measures have been considered and will be implemented as is deemed necessary. Given the inherent unpredictability associated with the COVID-19 outbreak and any further contingency measures that may be put in place by the relevant governments and corporate entities combined with customer behaviours, the actual financial impact of the COVID-19 outbreak, if any, on the Group's 2020 financial statements could be significantly different from the estimates disclosed above depending on how the situation evolves.

There have been no other matters or circumstances occurring subsequent to the financial year that has significantly affected, or may significantly affect, the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future years.

DIRECTORS' REPORT

Information on Directors

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

Special responsibilities
Member of the Audit Committee

Qualifications
B.Com (UNSW), CA, FAICD, FCIS, FGIA

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

Tony is currently the chairman of ASX listed Bioxyne Limited (ASX: BXN), Credit intelligence Limited (ASX:CI1), NZX listed Truscreen Limited (NZX:TRU) and Cannasouth Limited (NZX:CBD). He was previously a non-executive director of Hastings Technology Metals Limited.

Tony was the past non-executive chairman of St. George Community Housing Limited (November 2002 to December 2009) where he successfully grew the NGO to be one of New South Wales leading community housing companies

Prior to joining commerce, Tony was a partner of Cox Johnston & Co, Chartered Accountants, which has since merged with Ernst & Young.

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

Interest in shares & options
3,875,610 Ordinary Shares

Other board positions held
Non-executive Chairman – Bioxyne Limited – November 2012
Non-executive Chairman – Credit Intelligence Limited – 14 June 2018
Non-executive Chairman – Truscreen Limited (NZX:TRU) – 6 October 2018
Non-executive Chairman - Cannasouth Limited (NZX:CBD) – 18 June 2019

Board positions held in the last 3 years
Non-executive director - Hastings Technology Metals Limited - March 2011 to November 2017

John Mair – Managing Director – Appointed 7 October 2011

Qualifications
PhD (Geol), MAus IMM

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

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

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

Interest in shares & options
8,364,062 Ordinary Shares
6,000,000 Performance rights

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

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

Special responsibilities
Chairman of the Audit Committee

Qualifications
B.A. (USYD)

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

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

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

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

DIRECTORS' REPORT

Simon Cato (cont'd)

Interest in shares & options
6,389,594 Ordinary shares
Other board positions held
Non-executive Chairman - Advanced Share Registry Limited - August 2007.
Non-executive director – Bentley Capital Limited – January 2015

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

Xiaolei Guo – Non-executive Director – Appointed 12 October 2019

Special responsibilities
Nil

Qualifications
BA.Law(CnU)

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

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

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

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

Interest in shares & options
Nil Ordinary shares

Directorships held in other listed entities
Nil

Remuneration Report – Audited

This remuneration report, which forms part of the directors' report, details the nature and amount of remuneration for each director and other key management personnel (KMP) of Greenland Minerals Limited, for the financial year ended 31 December 2019.

Director and key management personnel details
The following persons acted as directors and other KMP of the Company during or since the end of the financial year, unless otherwise stated, positions were held for the full year ended 31 December 2019 and continued to be held at the date of this report:

Directors

Anthony Ho, Non-Executive Chairman
John Mair, Managing Director
Simon Cato, Non-Executive Director
Xiaolei Guo, Non-Executive Director

Key management personnel

Miles Guy, Chief Financial Officer and Company Secretary

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

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

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

- All senior management receive a market rate base salary (which is based on factors such as length of service and experience).

- The Australian directors and senior management, where applicable receive a superannuation guarantee contribution required by the government, which is currently 9.5% and do not receive any other retirement benefits.

- All remuneration paid to directors and senior management is valued at the cost to the Consolidated Group and expensed. Options and rights granted to directors and senior management as part of remuneration are valued at grant date using appropriate valuation techniques.

- Vesting hurdles attached to options or share rights are structured to ensure an alignment with an increase in shareholder value.

- The board policy is to remunerate non-executive directors with a base fee and an additional fee at market rates for time for any additional commitment and responsibilities. The board as a whole determines payments to the non-executive directors and reviews their remuneration annually, based on market rates, their specific duties and responsibilities. Additional consultancy fees may be payable where the non-executive director has additional responsibilities associated with specific tasks or responsibilities outside of their normal duties. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. The current shareholder approved cap on these fees is $400,000 per annum. Fees for non-executive directors are not linked to the performance of the Consolidated Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Cash based payments

Salary and fees
All directors and senior management receive a cash based salary or director fees. Other than the bonus paid to John Mair, no other bonuses or additional similar benefits were paid, during the year ended 31 December 2019.

Pursuant to the Executive Service Agreement dated 19 September 2014, John Mair, the managing director is entitled to a remuneration review annually. The base salary of John Mair has not varied since his appointment and was set at $350,000 per annum for the past 6 years. John Mair is the driving force and key to bringing the Company's Kvanefjeld Project to where it is today. The board, excluding John Mair, awarded a bonus of $200,000 to John Mair in recognition of his performance in managing the Kvanefjeld Project to where it is as a significant rare earth and uranium global project.

The Company's Remuneration Policy is to attract and retain the best senior management and directors to run and manage the Company,

Post-employment benefits
Directors and senior management, where required also receive statutory superannuation of 9.5% on their gross salary. There are no entitlements to other additional post-employment benefit.

Long-term remuneration
The managing director and senior management are entitled to receive long service leave after 10 years continuous service, with a pro-rata entitlement after 7 years. Although a provision for this payment is recognised, no actual payments for long service leave were made in the year ended 31 December 2019.

Share based payments

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

Long term incentives (LTI)
The board, during the year ended 31 December 2019 approved the issue of Employee Performance Rights to all employees, including Key Management Personnel but excluding directors. At the Company's annual general meeting in 2017, shareholders approved the issue of Performance Rights to John Mair, the Managing Director. The vesting conditions attached to the rights have been structured by the board with the objective of retaining and incentivising employees and align with increasing shareholder value.

Remuneration Report – Audited (cont'd)

Separation payments

Director and senior management are not entitled to any separation payment other than statutory entitlements and notice period payment. There are no notice period requirements for Non-executive Directors and the notice period requirements for Executive Directors and Senior Management are disclosed key terms of employment contracts, on pages 28 to29.

Details of Remuneration

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

	Short term benefits		Post-employment benefits	Long –term remuneration	Share Based payments			
2019	**Salary & fees $**	**Other $**	**Super-annuation $**	**Provision for long service leave $**	**STI $**	**Rights (i) $**	**Total Remuneration $**	**% Performance based**
Executive Director								
J Mair	350,000	(iii) 226,923	33,249	5,858	-	(ii) (275,200)	340,830	(80.1)%
Non-executive Director								
A Ho	100,000	-	9,500	-	-	-	109,500	-
S Cato	50,000	-	4,749	-	-	-	54,749	-
X Guo	40,000	-	-	-	-	-	40,000	-
Senior Management								
M Guy	220,000	(iv) 11,186	20,900	3,667	-	96,577	352,330	27.7%
TOTAL	**760,000**	**238,109**	**68,398**	**9,525**	**-**	**(178,623)**	**897,409**	**(19.9)%**

(i) Rights issued are Employee Performance Rights that are Long Term Incentives and are subject to service period, share price and performance vesting hurdles which are detailed further in Note 25 of the financial statements. The rights do not vest into fully paid shares unless vesting conditions are satisfied. At 31 December 2019, all rights remained unvested and as a result the rights represent no monetary value to the holder.

(ii) Reversal of prior year pro-rata recognition of the value of unvested performance rights following a review at 31 December 2019 of the likelihood of the vesting hurdles being achieved prior to the expiry date of 31 May 2020.

(iii) Recognition of a $200,000 board approved performance bonus for the year ended 31 December 2019 and recognition of increase in annual leave provision resulting from the accrual of statutory annual leave being greater than the annual leave taken.

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

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

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

2018	Short term benefits		Post-employment benefits	Long –term remuneration	Share Based payments			
	Salary & fees $	Other $	Super-annuation $	Provision for long service leave $	STI $	Rights (iii) $	Total Remuneration $	% Performance based
Executive Director								
J Mair	350,000	18,844	33,249	2,957	-	207,700	612,750	33.9%
Non-executive Director								
A Ho	100,000	-	9,500	-	-	-	109,500	-
S Cato	50,000	-	4,749	-	-	-	54,749	-
X Guo (i)	40,000	-	-	-	-	-	40,000	-
Senior Management								
M Guy	196,666	18,230	18,683	6,417	-		239,996	-
TOTAL	**736,666**	**37,074**	**66,181**	**9,374**	**-**	**207,700**	**1,056,995**	**19.6%**

(i) Rights issued are Employee Performance Rights that are Long Term Incentives and are subject to service period, share price and performance vesting hurdles which are detailed further in Note 25 of the financial statements. The rights do not vest into fully paid shares unless vesting conditions are satisfied. At 31 December 2018, all rights remained unvested and as a result the rights represent no monetary value to the holder.

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

Rights issued

The Company issued 8,600,000 performance rights to employees during the year ended 31 December 2019, under the Company's Employee Incentive Plan.

The rights are subject to service period and performance based vesting hurdle and were issued to assist with retaining and incentivising existing employees. The rights align with increasing shareholder value. The rights vest into fully paid ordinary shares on satisfying the vesting hurdles prior to 31 July 2021. being the expiry date of the rights.

In addition:

- No amounts are payable by the recipient on receipt of the right or on the vesting of the rights;
- The right do not carry the right to either dividends or voting;
- The rights are non-transferable and do not represent any monetary value to the recipient prior to vesting, and;
- Each right issued will be convertible into one fully paid ordinary share upon satisfying the clearly defined vesting hurdles.

Remuneration Report – Audited (cont'd)

The rights can vest subject to a 12 month service period and a share price performance hurdle. The fair value has been established using a binomial model based on the following inputs. The fair value will be recognised over the determined vesting period, in accordance with Australian Accounting Standards.

Grant date	10 July 2019
Underlying share price at grant date	$0.15
Maximum life	2 Years
Expected future volatility	75%
Risk free rate	0.99%
Share price hurdle (30-day VWAP)	$0.15

The following un-vested performance rights were issued during the current financial year ended 31 December 2019.

Employee	Grant date	Number	Fair value @ grant date $	Expiry date	Number vested
M Guy	10/07/2019	1,500,000	214,800	31/07/2021	Nil
Total		**1,500,000**	**214,800**	**31/07/2021**	**Nil**

(i) Fair value at grant date has been calculated using a binominal model (refer to note 25) the value will be recognised in remuneration on a pro-rata basis over the respective vesting periods, taking into consideration the additional performance vesting conditions, in accordance with Australian Accounting Standards.

No rights were issued during the prior year ended 31 December 2018.

Rights – reversal of prior recognition

During the year ended 31 December 2017, performance rights 6,000,000 were issued to John Mair, the Company's Managing Director. The rights were subject to service period and performance based vesting hurdles. The second tranche of these rights, vesting performance hurdles included the Company obtaining a mining licence prior to the rights expiry date of 31 May 2020. The likelihood of this vesting hurdle being achieved was assessed and as a result of this assessment, values recognised in prior periods have been reversed in the year ended 31 December 2019.

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

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

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

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

The following performance rights were issued during the financial year ended 31 December 2017 remained issued and un-vested at 31 December 2019.

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

(i) Fair value at grant date has been calculated using a binominal model (refer to note 25) the value will be recognised in remuneration on a pro-rata basis over the respective vesting periods, taking into consideration the additional performance vesting conditions, in accordance with Australian Accounting Standards.

Options exercised
No options issued to directors or senior management were exercised during the year ended 31 December 2019.

The prior year ended 31 December 2018, the following options issued to directors and senior management were exercised.

Director	Date	Number Exercised (i)	Exercise Price	Share price @ exercise date	Amount Paid $	Amount unpaid $	Option value at date of exercise $
A Ho	20/09/2018	337,500	$0.08	$0.08	27,000	-	-
J Mair	28/09/2018	375,000	$0.08	$0.08	30,000	-	-
S Cato	20/09/2018	71,786	$0.08	$0.08	5,743	-	-

(i) The options exercised were free attached options to a rights issue offered to all shareholders at the time. The options did not form part of a remuneration or compensation package.

Rights expired
No un-vested Employee Performance Rights expired during the current year ended 31 December 2019 or the prior year ended 31 December 2018.

Rights cancelled
No un-vested Employee Performance Rights were cancelled in during the current financial year ended 31 December 2019 or the previous financial year ended 31 December 2018.

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

No cash bonuses were paid to any directors or senior management during the current or prior period.

Remuneration Report – Audited (cont'd)

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

Transactions with related parties
Simon Cato is a Non-executive Director and Chairman of Advanced Share Registry Limited. Advanced Share Registry Limited provides share registry services to Greenland Minerals Limited. These services are supplied on normal commercial terms and Mr Cato does not receive any remuneration from Advanced Share Registry Limited based on the supply of share registry services to the Consolidated Group. For the year ended 31 December 2019 $42,814 was paid to Advance Share Registry Limited for services provided (Dec 2018: $47,304).

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

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

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

The following table shows the gross revenue and profits for the period from 31 December 2015 to 31 December 2019 for the listed entity, as well as the share price at the end of each financial period.

Remuneration Report	12 month period ended 31 Dec 2019	12 Month period ended 31 Dec 2018	12 Month period ended 31 Dec 2017	12 Month period ended 31 Dec 2016	12 Month period ended 31 Dec 2015
Revenue	63,920	132,661	$126,547	$82,966	$193,508
Net loss before and after tax	(2,851,390)	(2,829,697)	($2,488,863)	($2,172,733)	($4,091,615)
Share price at beginning of period	$0.07	$0.10	$0.07	$0.03	$0.07
Share price at end of period	$0.13	$0.07	$0.10	$0.07	$0.03
Dividend			-		-
Basic loss per share	0.03	$0.03	$0.03	$0.03	$0.06
Diluted loss per share	0.03	$0.03	$0.03	$0.03	$0.06

Key terms of employment contracts

Directors

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

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

John Mair, *Managing Director*

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

Simon Cato, *Non-Executive Director*

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

Xiaolei Guo, *Non-Executive Director*

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

Senior Management

Miles Guy, *Chief Financial Officer and Company Secretary*

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

Remuneration Report – Audited – END-

Meetings of Directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

Directors Meetings		
Director	Number of meetings eligible to attend	Number attended
A Ho	10	10
J Mair	10	10
S Cato	10	10
X Guo	10	10

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

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

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

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

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

Non-audit Services
Details of amounts paid to the auditors of the Company, Deloitte Touche Tohmatsu and its related practices for audit and any non audit services for the year, are set out in note 30.

Auditor's Independence Declaration
The auditor's independence declaration for the year ended 31 December 2019 has been received and is included on page 33 the financial report.

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

DIRECTORS' REPORT

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

Rounding off of amounts
The Consolidated Group is a Consolidated Group of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998. In accordance with that Class Order amounts in the directors' report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

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

On behalf of the Directors.

John Mair
Managing Director

Deloitte.

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

27 March 2020

Dear Board Members

Greenland Minerals Limited

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

As lead audit partner for the audit of the financial report of Greenland Minerals Limited for the year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ian Skelton
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Greenland Minerals Limited (the "Company") and its subsidi aries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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Key Audit Matters

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

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Carrying value of Exploration and Evaluation Assets As at 31 December 2019 the carrying value of exploration and evaluation assets as disclosed in Note 13 to the financial statements amounts to $85.9 million. The Group's accounting policy in respect of exploration and evaluation assets is disclosed in Note 1. Significant judgement is applied in determining whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment in accordance with the relevant accounting standards including: • whether the entity has the right to tenure of the area of interest at 31 December 2019; • the likelihood of the exploration licence being renewed; • the status and results of current exploration programmes; • the planned future work programmes and budgeted expenditure on the area of interest; and • whether the project has reached a stage whereby economic recoverable reserves have been identified which may indicate that the current carrying value is above its recoverable amount.	Our procedures included, but were not limited to: • confirming whether the rights to tenure of the area of interest remained current to balance sheet date, • assessing the status of ongoing exploration and evaluation programmes, and the mining licence application process for the respective area of interest, • assessing evidence of the future intention for the area of interest, including reviewing future budgeted expenditure and related work programmes; and • confirming whether exploration activities for the area of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed and compared this to the current carrying value. We also assessed the appropriateness of the disclosures in Note 13 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 22 to 29 of the Directors' Report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of Greenland Minerals Limited, for the year ended 31 December 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Deloitte Touche Tohmatsu

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Ian Skelton
Partner
Chartered Accountants
Perth, 27 March 2020

Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Group;

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

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

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

On behalf of the Directors

John Mair
Managing Director
Subiaco, 27 March 2020

Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2019

	Note	Dec 2019 $' 000	Dec 2018 $' 000
Revenue from continuing operations	5	64	133
Expenditure			
Director and employee benefits	6(a)	(1,370)	(1,075)
Professional fees	6(b)	(624)	(835)
Listing costs	6(c)	(114)	(105)
Finance costs	6(d)	(29)	-
Other expenses	6(e)	(778)	(947)
Loss before tax		(2,851)	(2,829)
Income tax expense	7	-	-
Loss for year		(2,851)	(2,829)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange difference arising on translation of foreign operations		(1,267)	3,977
Income tax relating to components of comprehensive income	7	-	-
Other comprehensive income for the year		(1,267)	3,977
Total comprehensive (loss)/gain for the year		(4,118)	1,148
(Loss) attributable to:			
Owners of the parent		(2,851)	(2,829)
		(2,851)	(2,829)
Total comprehensive (loss)/gain attributable to:			
Owners of the parent		(4,118)	1,148
		(4,118)	1,148
Basic loss per share – cents per share	21	0.025	0.025
Diluted loss per share – cents per share		0.025	0.025

Notes to the financial statements are included on pages 42 to 73

Consolidated statement of financial position as at 31 December 2019

Current Assets	Note	Dec 2019 $' 000	Dec 2018 $' 000
Cash and cash equivalents	8	8,599	6,702
Trade and other receivables	9	714	54
Other assets	10	86	63
Total Current Assets		9,399	6,919
Non-Current Assets			
Property, plant and equipment	11	785	863
Right of use assets	12	522	-
Capitalised exploration and evaluation expenditure	13	85,886	85,292
Total Non-Current Assets		87,193	86,155
Total Assets		96,592	92,973
Current Liabilities			
Trade and other payables	14	941	655
Lease liability	15(a)	138	-
Provisions	16(a)	441	391
Total Current Liabilities		1,520	1,046
Non-Current Liabilities			
Lease liability	15(b)	410	-
Provisions	16(b)	172	160
Total Non-Current Liabilities		582	160
Total Liabilities		2,102	1,206
Net Assets		**94,490**	**91,768**
Equity			
Issued Capital	17	371,808	365,247
Reserves	18	(31,553)	(30,565)
Accumulated Losses	20	(245,765)	(242,914)
Total Equity		**94,490**	**91,768**

Notes to the financial statements are included on pages 42 to 73

Consolidated statement of changes in equity
for the year ended 31 December 2019

	Issued capital $' 000	Option reserve $' 000	Foreign currency translation reserve $' 000	Non - Controlling interest acquisition reserve $'000	Accumulated losses $' 000	Total $' 000
Balance at 1 January 2018	362,823	29,833	4,526	(39,672)	(269,290)	88,220
Net loss for the year	-	-	-	-	(2,829)	(2,829)
Other Comprehensive income	-	-	3,977	-	-	3,977
Total comprehensive for the year	-	-	3,977	-	(2,829)	1,148
Recognition of share based payments – directors	-	208	-	-	-	208
Issue of shares from option exercise	2,424	(232)	-	-	-	2,192
Transfer from option reserve to accumulated losses	-	(29,205)	-	-	29,205	-
Balance at 31 December 2018	365,247	604	8,503	(39,672)	(242,914)	91,768
Balance at 1 January 2019	365,247	604	8,503	(39,672)	(242,914)	91,768
Net loss for the year	-	-	-	-	(2,851)	(2,851)
Other Comprehensive income	-	-	(1,267)	-	-	(1,267)
Total comprehensive for the year	-	-	(1,267)	-	(2,851)	(4,118)
Issue of shares net of transaction costs	6,561	-	-	-	-	6,561
Recognition of reversal of share based payments – directors	-	(275)	-	-	-	(275)
Recognition of share based payments - employees	-	554	-	-	-	554
Balance at 31 December 2019	371,808	883	7,236	(39,672)	(245,765)	94,490

Notes to the financial statements are included on pages 42 to 73

Consolidated statement of cash flows
for the year ended 31 December 2019

	Note	31 Dec 2019 $' 000	31 Dec 2018 $' 000
Cash flows from operating activities			
Receipts from customers		8	61
Payments to suppliers and employees		(2,035)	(2,396)
Net cash used in operating activities	24	(2,027)	(2,335)
Cash flows from investing activities			
Interest received		61	60
Payments for exploration and development		(2,506)	(3,936)
Payments for plant and equipment		(11)	(12)
Net cash used in investing activities		(2,456)	(3,888)
Cash flows from financing activities			
Proceeds from issue of shares/options		6,561	2,192
Payments on lease liabilities		(181)	-
Net cash from financing activities		6,380	2,192
Net increase/(decrease) in cash and equivalents		1,897	(4,031)
Cash and equivalents at the beginning of the financial year		6,702	10,733
Cash and equivalents at the end of the Financial year	8	8,599	6,702

Notes to the financial statements are included on pages 42 to 73

Notes to the accounts

1. General information

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

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

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

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

2. Significant accounting policies

Statement of compliance

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

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

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Consolidated Group comply with International Financial Reporting Standards ('IFRS'). The Consolidated Group is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were authorised for issue by the directors on 25 March 2020.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Consolidated Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to note 3 for a discussion of critical judgements in applying the entity's accounting policies, and key sources of estimation uncertainty.

Adoption of new and revised Accounting Standards

The Consolidated Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB") that are relevant to the Consolidated Group's operations and effective for the year end.

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

Notes to the accounts

2. Significant accounting policies (cont'd)

(a) AASB 16 *Leases*

The Consolidated Group has adopted AASB 16 *Leases* from 1 January 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions of the standard. Any reclassifications and adjustments arising from the adoption of the standard have been recognised in the opening balances on 1 January 2019, refer to Notes 12 and 15.

(i) Adjustments recognised on adoption of AASB16

On adoption of AASB16, the Consolidated Group has recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB117 Leases. These leases are for office premises in Perth, Western Australia and Nuuk Greenland and a storage unit in Perth, Western Australia. These lease liabilities have been measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2019.

The associated right-of-use assets were measured at the amount equal to the lease liability.

The Consolidated Group did not previously classify any leases as finance leases.

(ii) Summary of lease accounting policy

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

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

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

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

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

Notes to the accounts

2. Significant accounting policies (cont'd)

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

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

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

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2018-6 Amendments – Definitions of a Business	1 Jan 2020	31 Dec 2020
AASB 2018-7 Amendments - Definition of Material	1 Jan 2020	31 Dec 2020
Conceptual Framework	**Effective for annual reporting periods beginning on or after**	**Expected to be initially applied in the financial year ending**
Conceptual Framework for Financial Reporting	1 Jan 2020	31 Dec 2020

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

(a) Basis of consolidation

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

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

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

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

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

equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

Notes to the accounts

2. Significant accounting policies (cont'd)

(b) Foreign currency

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

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

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

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

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

(c) Goods and services tax

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

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

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

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

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

(d) Revenue

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

<u>Interest revenue</u>

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

<u>Rental income</u>

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

2. Significant accounting policies (cont'd)

(e) Share-based payments

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

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

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

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

(f) Income tax

<u>Current tax</u>

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws

that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

<u>Deferred tax</u>

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures except where the Consolidated Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Consolidated Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Consolidated Group intends to settle its current tax assets and liabilities on a net basis.

Notes to the accounts

2. Significant accounting policies (cont'd)

Current and deferred tax for the period

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

(g) Cash and cash equivalents

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

(h) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit and loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Consolidated Group's business model for managing them. The Consolidated Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through the profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised costs or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to the SPPI test and is performed at an instrument level.

The Consolidated Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flow, selling the financial assets or both.

Financial assets are recognised at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Upon initial recognition, the Consolidated Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument by instrument basis.

Gains and losses on these financial assets are never recycled to profit and loss. Dividends are recognised as other income in the Statement of Profit and Loss when the right of payment has been established, except when the Consolidated Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded to OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit and loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Profit and Loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short term with an intention of making a profit, or a derivative, or (ii) designated as such upon initial recognition where permitted.

Impairment of financial assets

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

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

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

(i) Property, plant and equipment

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

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

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

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

Leasehold improvements	10 – 15 years
Plant and equipment	4 – 10 years
Buildings	20 years

(j) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

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

(k) Financial instruments issued by the Consolidated Group

Debt and equity instruments

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

Financial liabilities

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

2. Significant accounting policies (cont'd)

Other financial liabilities

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

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

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

(l) Impairment of long-lived assets excluding goodwill

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

units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

(m) Capitalisation of exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

2. Significant accounting policies (cont'd)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where research and development ("R&D") rebates are claimed on eligible expenditure, these are offset against the capitalised exploration and evaluation expenditure asset to the extent that the associated expenditure was also capitalised as such. Where the associated expenditure has been expensed, the R&D rebate is also recognised within the Statement of Profit or Loss.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(n) Provisions

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

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

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

3: Critical accounting estimates and judgments

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

a) Significant accounting judgments

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

Carrying value of exploration and evaluation expenditure

The Consolidated Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development or alternatively sale of the Areas of Interest. If ultimately the area of interest is abandoned or is not successfully commercialised, the carrying value of the capitalised exploration and evaluation expenditure would be written down to its recoverable amount.

Deferred tax assets

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

Notes to the accounts

3. Critical accounting estimates and judgements (cont'd)

b) Significant accounting estimates and assumptions

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

Carrying value of capitalised exploration and evaluation expenditure

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

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

As at 31 December 2019, the carrying value of capitalised exploration expenditure is $85,886,253 (2018: $85,292,097) refer to note 13.

Share-based payments

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

4: Segment information

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

The Consolidated Group undertakes mineral exploration and evaluation in Greenland.

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

5: Revenue

	31 Dec 2019 $' 000	31 Dec 2018 $' 000
Interest - Bank deposits	64	63
Other revenue	-	70
	64	133

6: Expenditure

		31 Dec 2019 $' 000	31 Dec 2018 $' 000
(a)	**Director and employee benefits**		
	Directors' fees	(199)	(199)
	Director's and employee salary and wage expense	(827)	(599)
	Director's share based payments	275	(208)
	Employee share based payments	(554)	-
	Director's and employee post-employment benefits	(65)	(69)
		(1,370)	(1,075)
(b)	**Professional fees:**		
	Audit, accounting and taxation expense	(158)	(128)
	Legal fees	(22)	(15)
	Marketing and public relations	(440)	(376)
	Consulting	(4)	(316)
		(624)	(835)
(c)	**Listing costs:**		
	Stock exchange fees	(71)	(58)
	Share registry fees	(43)	(47)
		(114)	(105)
(d)	**Finance Costs**		
	Interest expense – lease assets	(29)	-
		(29)	
(e)	**Other expenses**		
	Depreciation expense – property, plant & equipment	(74)	(91)
	Depreciation expense – leased assets	(178)	-
	Insurance	(58)	(46)
	Travel expenses	(110)	(162)
	Payroll tax	(53)	(54)
	Occupancy costs	-	(181)
	Other expenses	(305)	(413)
		(778)	(947)

Notes to the accounts

7: Income tax

		31 Dec 2019 $' 000	31 Dec 2018 $' 000
(a)	Tax expense	-	-
	Current tax	-	-
	Deferred tax	-	-
		-	-
b)	The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax expenses in the financial statements as follows:		
	Loss for period	(2,851)	(2,829)
	Prima facie tax benefit on loss at 30%	(855)	(849)
	add:		
	Tax effect of:		
	other non-allowable items	169	91
	provisions and accruals	265	148
	accrued income	3	2
	revenue loss not recognised	1,394	2,069
		1,831	2,310
	Less:		
	Tax effect of:		
	exploration, evaluation and development expenditure	(743)	(1,081)
	provisions and accruals	(111)	(230)
	capital expenditure write off	(89)	(123)
	other deductions	(33)	(27)
		(976)	(1,461)
	Income tax expense	-	-
	The following deferred tax balances have not been recognised:		
	Deferred tax assets:		
	at 30%		
	Carry forward revenue losses	37,436	36,042
	Prior year unders/overs to tax losses	(2,866)	-
	Capital expenditure costs	138	123
		34,708	36,165
	Less: offset against deferred tax liability	(18,335)	(17,598)
		16,373	18,567

The above deferred tax assets will only be recognised when:

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

7: Income tax (cont'd)

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

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

	31 Dec 2019 $' 000	31 Dec 2018 $' 000
Deferred tax liabilities:		
at 30%		
Exploration, evaluation and development expenditure	18,332	17,589
Accrued income	3	9
	18,335	17,598
less offset against deferred tax assets	(18,335)	(17,598)
	-	-

8: Cash and equivalents

	Dec 2019 $' 000	Dec 2018 $' 000
Cash at bank	385	406
Cash on deposit at call	5,868	2,926
Cash on deposit	2,346	3,370
	8,599	6,702

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

9: Trade and other receivables

	Dec 2019 $' 000	Dec 2018 $' 000
Debtors	-	8
Accrued interest	7	10
GST refundable	40	36
Research and development tax rebate	667	-
	714	54

(i) Trade debtors and sundry debtors are non-interest bearing, unsecured and generally on 30 day terms. As at 31 December 2019 and 31 December 2018 no amounts were past due but not impaired. No allowance for doubtful debts at either 31 December 2019 or 31 December 2018.

Notes to the accounts

10: Other assets

	Dec 2019 $' 000	Dec 2018 $' 000
Deposit bonds	9	2
Prepayments	77	61
	86	63

11: Property, plant and equipment

	Dec 2019 $' 000	Dec 2018 $' 000
Plant and Equipment (cost)	1,335	1,336
Accumulated depreciation	(1,116)	(1,078)
Buildings	934	950
Accumulated depreciation	(368)	(345)
	785	863

(a) Movements in the carrying amounts

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

	Dec 2019 $' 000	Dec 2018 $' 000
Plant and Equipment		
Carrying value at beginning of year	258	302
Acquisitions	11	12
Disposals	(3)	(2)
Effects of currency translation	(2)	-
Depreciation expense	(45)	(54)
Carrying value at end of year	219	258
Buildings		
Carrying value at the beginning of year	605	608
Effects of currency translation	(10)	34
Depreciation	(29)	(37)
Carrying value at end of year	566	605
Total property, plant and equipment carrying value at end of period	785	863

12: Right-of-use assets

	Dec 2019 $' 000	Dec 2018 $' 000
Balance at beginning of year	700	-
Depreciation	(178)	-
Balance at end of year	522	-

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

13: Capitalised exploration and evaluation expenditure

	Dec 2019 $' 000	Dec 2018 $' 000
Balance at beginning of year	85,292	77,736
Exploration and/or evaluation phase in current period:		
Capitalised expenses	2,506	3,605
Effects of currency translation (i)	(1,245)	3,951
Research and development tax rebate	(667)	-
Balance at end of year	85,886	85,292

(i) The Kvanefjeld Project EL 2010/02 is held by Greenland Minerals A/S, the 100% owned Greenlandic subsidiary. All capitalised exploration and evaluation expenditure has been recognised in the Greenlandic subsidiary and at reporting date has been translated at the closing Australian dollar/Danish kroner exchange rate with the movement being recognised in the foreign currency translation reserve.

(ii) The recoverability of the Consolidated Group’s carrying value of the capitalised exploration and evaluation expenditure relating to EL 2010/02 is subject to the successful development and exploitation of the exploration property. The Consolidated Group has completed a feasibility study and environmental and social impact studies. These studies have been submitted to the relevant Greenland authorities, as a commencement of the process for an application for the right to mine.

(iii) The Consolidated Group has a positive outlook regarding its ability to successfully develop the project, as a multi element rare earth and uranium project. The Consolidated Group is working with the Greenland Government and other stakeholders to progress the mining license application to move to development in accordance with both Greenland Government and local community expectations.

Notes to the accounts

14: Trade and other payables

	Dec 2019 $' 000	Dec 2018 $' 000
Accrued expenses (i)	742	311
Trade creditors (ii)	121	205
Sundry creditors (ii)	78	139
	941	655

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

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

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

15: Lease Liability

	Dec 2019 $' 000	Dec 2018 $' 000
(a) Current		
Balance at beginning of year	152	-
Interest on lease liabilities	29	-
Lease repayments	(181)	-
Transfer from Non-current to current	138	-
Balance at end of year	138	-
(b) Non-current		
Balance at beginning of year	548	-
Transfer from Non-current to current	(138)	-
Balance at end of year	410	-

(ii) Initial recognition of property leases in accordance with AASB 16.

The undiscounted maturity analysis of lease liabilities

	Within 1 year $' 000	1-2 Years $' 000	2-3 Years $' 000	3-4 Years $' 000	4-5 Years $' 000
31 December 2019					
Lease payments	160	150	132	136	23
Finance charges	(22)	(16)	(10)	(4)	(1)
Net present value	138	134	122	132	22

16: Provisions

	Dec 2019 $' 000	Dec 2018 $' 000
(a) Current		
Provision for annual leave	441	391
	441	391
(b) Non-current		
Provision for long service leave	172	160
	172	160

17: Issued capital

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

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

	Dec 2019		Dec 2018	
	No ' 000	$' 000	No ' 000	$' 000
Balance brought forward	1,132,649	365,247	1,105,251	362,823
Issue of ordinary shares through capital raising	58,333	7,000	-	-
$0.08 exercise price options	-	-	27,398	2,424
Less costs associated with shares issued	-	(439)	-	-
Balance at end of financial year	1,190,982	371,808	1,132,649	365,247

18: Reserves

a) Option reserve	Dec 2019 $' 000	Dec 2018 $' 000
Balance brought forward	604	29,833
Recognition of performance rights- director	(275)	208
Recognition of performance rights – employees	554	-
Transfer of value of options exercised	-	(232)
Transfer expired option balance to accumulated loss	-	(29,205)
Balance at end of financial year	883	604

(i) Refer to note 25 for further information.

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

Notes to the accounts

18: Reserves (cont'd)

b) Foreign currency translation reserve	Dec 2019 $' 000	Dec 2018 $' 000
Balance brought forward	8,503	4,526
Current period adjustment from currency translation of foreign controlled entities	(1,267)	3,977
Balance at end of year	7,236	8,503

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

c) Non-controlling interest acquisition reserve	Dec 2019 $' 000	Dec 2018 $' 000
Balance brought forward	(39,672)	(39,672)
Balance at end of year	(39,672)	(39,672)

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

d) Total reserves	Dec 2019 $' 000	Dec 2018 $' 000
Option reserve	883	604
Foreign currency translation reserve	7,236	8,503
Non-controlling interest acquisition reserve	(39,672)	(39,672)
	(31,553)	(30,565)

19: Dividends

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

20: Accumulated losses

	Dec 2019 $' 000	Dec 2018 $' 000
Balance at beginning of financial year	(242,914)	(269,290)
Loss attributable to members of parent entity	(2,851)	(2,829)
Transfer from option reserve	-	29,205
Balance at end of financial year	(245,765)	(242,914)

Notes to the accounts

21: Loss per share

	Dec 2019 Cents Per share	Dec 2018 Cents Per share
Basic loss per share		
From continuing operations	0.25	0.25
Diluted loss per share		
From continuing operations	0.25	0.25

Basic and diluted loss per share

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

	Dec 2019	Dec 2018
Loss for year ($)	2,851,390	2,829,697
Weighted average number of shares used in the calculation of basic and diluted loss per share (Number)	1,156,302,164	1,112,721,794

(i) There were 18,600,000 potential ordinary shares on issue at 31 December 2019 (31 December 2018: 10,000,000) that are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share.

22: Commitments for expenditure

Exploration commitments: EL 2010/02 is located in Greenland. The tenement expenditure incurred during the year ended 31 December 2019 and prior years exceeded the minimum expenditure required to maintain the tenement in good standing. The excess expenditure can be carried forward for 3 years. The amount carried forward is sufficient to meet the minimum expenditure requirements over this period.

	Dec 2019 $'000	Dec 2018 $'000
Operating leases (i)		
Not longer than 1 year	-	120
Longer than 1 year but not longer than 5 years	-	150
Longer than 5 years	-	-
	-	270

(i) Commitments for expenditure in the prior year were for office lease commitments that were not recognised in any other part of the financial statements. Due to the adoption of AASB16 Leases in the current period, the leases are now recognised as a liability in the statement of financial position (refer to note 12).

Notes to the accounts

23: Subsidiaries

Name of subsidiary	Country of incorporation	Ownership interest Dec 2019 %	Dec 2018 %
Chahood Capital Limited	Isle of Man	100	100
Greenland Minerals A/S (ii)	Greenland	100	100

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

(ii) Greenland Minerals and Energy (Trading) A/S's name was changed to Greenland Minerals A/S during the year ended 31 December 2019.

24: Notes to the statement of cash flows

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

	Year ended 31 Dec 2019 $' 000	Year ended 31 Dec 2018 $' 000
Loss for the year	(2,851)	(2,829)
(Gain) loss on sale or disposal of non-current assets	-	28
Depreciation- property, plant & equipment	74	91
Depreciation – leased assets	178	
Equity-settled share-based payments	279	208
Interest income received and receivable	(64)	(62)
(Increase)/decrease in assets		
Trade and other receivables	7	88
Increase (decrease) in liabilities		
trade and other payables	272	71
Provisions	49	70
Interest expense -leased assets	29	
Net cash used in operating activities	(2,027)	(2,335)

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

25: Share based payments

Except for share based payments discussed elsewhere within this note, there were no share-based payment arrangements entered into in the year ended 31 December 2019.

Except for share based payments discussed elsewhere within this note, there were no options issued as share-based payment arrangements in the year ended 31 December 2019.

There were no options exercised during the year ended 31 December 2019.

25: Share based payments (cont'd)

The following options exercised during the prior year ended 31 December 2018.

Opening balance	Exercised	Expired	Closing Balance
187,296,579	27,397,990	159,898,589	-

(i) The weighted average share price at date of exercise was $0.08

The total options (quoted and unquoted) outstanding as at 31 December 2019 was 4,000,000 as shown below

Options	Number	Exercise price	Expiry date	Exercisable @ 31 Dec 2019
Unlisted options	4,000,000	$0.15	31/03/2021	4,000,000

The following unlisted options expired during the year ended 31 December 2019.

Options	Number	Exercise price	Expiry date	Value @ expiry date
Unlisted options	2,000,000	$0.15	25/04/2019	Nil

Rights issued

The Company issued 8,600,000 performance rights to employees during the year ended 31 December 2019, under the Company's Employee Incentive Plan

The rights are subject to service period and performance based vesting hurdle and were issued to assist with retaining and incentivising existing employees. The rights align with increasing shareholder value. The rights vest into fully paid ordinary shares on satisfying the vesting hurdles prior to 31 July 2021. being the expiry date of the rights.

In addition:

- No amounts are payable by the recipient on receipt of the right or on the vesting of the rights;
- The right do not carry the right to either dividends or voting;
- The rights are non-transferable and do not represent any monetary value to the recipient prior to vesting, and;
- Each right issued will be convertible into one fully paid ordinary share upon satisfying the clearly defined vesting hurdles.

The rights can vest subject to a 12 month service period and a share price performance hurdle. The fair value has been established using a binomial model based on the following inputs. The fair value will be recognised over the determined vesting period, in accordance with Australian Accounting Standards.

Grant date	10 July 2019
Underlying share price at grant date	$0.15
Maximum life	2 Years
Expected future volatility	75%
Risk free rate	0.99%
Share price hurdle (30-day VWAP)	$0.15

Notes to the accounts

25: Share based payments (cont'd)

The following un-vested performance rights were issued during the current financial year ended 31 December 2019.

Employee	Grant date	Number	Fair value @ grant date $	Expiry date	Number vested
M Guy	10/07/2019	1,500,000	214,800	31/07/2021	Nil
Employees	10/07/2019	7,100,000	1,016,720	31/07/2021	Nil
Total		**8,600,000**	**1,231,520**		**Nil**

(i) Fair value at grant date has been calculated using a binominal model the value will be recognised in remuneration on a pro-rata basis over the respective vesting periods, taking into consideration the additional performance vesting conditions, in accordance with Australian Accounting Standards.

The other terms of the Performance Rights are:

(a) Upon satisfaction of the relevant Vesting Conditions, the holder of a Performance Right may elect to request the Company convert the Performance Rights to fully paid shares.

(b) The Company will not deny a request to convert a Performance Right to a fully paid share without due cause.

(c) Each Performance Right will vest and convert into one fully paid share.

(d) (No Consideration payable) No consideration will be payable upon the vesting and conversion of the Performance Rights.

(e) (No Voting rights) A Performance Right does not entitle a holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company.

(f) (No dividend rights) A Performance Right does not entitle a holder to any dividends.

(g) (No rights on winding up) A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up of the Company.

(h) (Not transferable) A Performance Right is not transferable.

(i) (Reorganisation of capital) If there is a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of a holder will be varied, as appropriate, in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.

(j) (Quotation of Shares on conversion) An application will be made by the Company to ASX for official quotation of the Shares issued upon the conversion of each Performance Right within the time period required by the Listing Rules. The Company will not apply for quotation of the Performance Rights on ASX.

(k) (No participation in entitlements and bonus issues) A Performance Right does not entitle a holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.

(l) (No other rights) A Performance Right does not give a holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

25: Share based payments (cont'd)

(m) (Lapse) If the Vesting Conditions relevant to a Performance Right have not been satisfied or have been satisfied but the holder has not elected to request the Company to covert the Performance Right to fully paid shares by the relevant expiry date, then the Performance Right will automatically lapse.

(n) Expiry date will be 5:pm WST on 31 July 2021.

Rights – reversal of prior recognition

During the year ended 31 December 2017, performance rights 6,000,000 were issued to John Mair, the Company's managing director. The rights were subject to service period and performance based vesting hurdles. The second tranche of these rights, vesting performance hurdles included the Company obtaining a mining licence prior to the rights expiry date of 31 May 2020. The likelihood of this vesting hurdle being achieved was assessed and as a result of this assessment, values recognised in prior periods have been reversed in the year ended 31 December 2019.

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

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

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

The following performance rights were issued during the current financial year ended 31 December 2017 remained issued and un-vested at 31 December 2019.

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

(ii) Fair value at grant date has been calculated using a binominal model the value will be recognised in remuneration on a pro-rata basis over the respective vesting periods, taking into consideration the additional performance vesting conditions, in accordance with Australian Accounting Standards.

Rights expired

No rights expired during the current financial year ended 31 December 2019 or the prior year ended 31 December 2018.

26: Financial instruments

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

The Consolidated Group's overall strategy remains unchanged from December 2018.
The capital structure of the Consolidated Group consists of fully paid shares and options as disclosed in notes 17 and 18 respectively.

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

(b) Categories of financial instruments

	Dec 2019 $' 000	Dec 2018 $' 000
Financial assets		
Cash and equivalents	8,599	6,702
Trade and other receivables - current	47	54
Financial liabilities		
Amortised cost	941	655

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

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

(i) **Interest Rate Risk**

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

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

(ii) **Credit Risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.
The Consolidated Group has no significant credit risk exposure to any single counterparty or any Consolidated Group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit – ratings assigned by international rating agencies.

26: Financial instruments (cont'd)

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Consolidated Group's maximum exposure to credit risk.
There was no change in managing credit risk or the method of measuring risk from the prior year.

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

The Consolidated Group monitors its cash flow forecast and actual cash flow to ensure that present and future commitments are provided for. As well as matching the maturity date of funds invested with the timing of future commitments.
There was no change in managing credit risk or the method of measuring risk from the prior year.

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

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

	Weighted Average Effective interest rate	< 6 Months	6 – 12 Months	1 - 5 Years	> 5 Years	Total
	%	$' 000	$' 000	$' 000	$' 000	$' 000
Dec 2019						
Cash and equivalents	1.2	8,347	252	-	-	8,599
Trade and receivables - current	-	714	-	-	-	714
		9,061	252	-	-	9,313
Dec 2018						
Cash and equivalents	1.2	6,482	220	-	-	6,702
Trade and receivables - current	-	54	-	-	-	54
		6,536	220			6,756

Notes to the accounts

26: Financial instruments (cont'd)

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

	Weighted Average Effective interest rate %	< 6 Months $' 000	6 – 12 Months $' 000	1 – 5 Years $' 000	> 5 Years $' 000	Total $' 000
Dec 2019						
Trade and other payables	-	941	-	-	-	941
Other liabilities	-	-	-	-	-	-
		941	-	-	-	941
Dec 2018						
Trade and other payables	-	655	-	-	-	655
Other liabilities	-	-	-	-	-	-
		655	-	-	-	655

(e) Interest rate risk

The Consolidated Group is exposed to interest rate risk because it places funds on deposit at variable rates. The risk is managed by the Consolidated Group by monitoring interest rates.
The Consolidated Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

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

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

Interest Rate Sensitivity Analysis

At 31 December 2019, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Dec 2019 $' 000	Dec 2018 $' 000
Change in profit		
Increase in interest rate by 1% (100 basis points)	64	61
Decrease in interest rate by 1% (100 basis points)	(64)	(61)

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

Notes to the accounts

26: Financial instruments (cont'd)

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

27: Key management personnel compensation

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

	Year ended 31 Dec 2019 $	Year ended 31 Dec 2018 $
Short-term employee benefits	760,000	736,666
Bonus payments	200,000	-
Other benefits (i)	38,109	37,074
Post-employment benefits	68,398	66,181
Other long-term benefits – provision for long service leave	9,525	9,374
Share-based payment	(178,623)	207,700
	897,409	1,056,995

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

Refer to the remuneration report included in pages 22 to 29 of the Directors report for more detailed remuneration disclosures.

28: Key management personnel equity holdings

Fully paid ordinary shares of Greenland Minerals Limited

	Balance at beginning of year	Granted as compensation	Received on exercise of options	Net other change (i)	Balance at end of year	Balance held nominally
	No.	No.	No.	No.	No.	No.
Dec 2019						
A Ho	3,525,610	-	-	350,000	3,875,610	-
J Mair	8,364,062	-	-	-	8,364,062	-
S Cato	6,389,894	-	-	-	6,389,594	-
X Guo	-	-	-	-	-	-
M Guy	1,603,650	-	-	200,000	1,803,650	-
Dec 2018						
A Ho	2,637,500	-	337,500	550,610	3,525,610	-
J Mair	7,989,062	-	375,000	-	8,364,062	-
S Cato	6,117,808	-	71,786	200,000	6,389,594	-
X Guo	-	-	-	-	-	-
M Guy	1,703,650	-	-	(100,000)	1,603,650	-

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

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Notes to the accounts

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

Share options of Greenland Minerals Limited

	Balance at beginning of year No.	Granted as compensation No.	Exercised No.	Expired No	Net other change (i) No.	Balance at end of year No.	Balance vested at end of year No.	Vested and exercisable No.	Options vested during year No.
Dec 2019									
A Ho	-	-	-	-	-	-	-	-	-
J Mair	-	-	-	-	-	-	-	-	-
S Cato	-	-	-	-	-	-	-	-	-
X Guo	-	-	-	-	-	-	-	-	-
M Guy	-	-	-	-	-	-	-	-	-
Dec 2018									
A Ho	337,500	-	(337,500)	-	-	-	-	-	-
J Mair	1,597,813	-	(375,000)	(1,222,813)	-	-	-	-	-
S Cato	481,786	-	(71,786)	-	(410,000)	-	-	-	-
X Guo	-	-	-	-	-	-	-	-	-
M Guy	928,650	-	-	(528,650)	(400,000)	-	-	-	-

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

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

Employee Rights of Greenland Minerals Limited

	Balance at beginning of year No.	Granted as compensation No.	Converted No.	Expired No	Net other change (i) No.	Balance at end of year No.	Balance vested at end of year No.	Vested and convertible No.	Rights vested during year No.
Dec 2019									
A Ho	-	-	-	-	-	-	-	-	-
J Mair	6,000,000	-	-	-	-	6,000,000	-	-	-
S Cato	-	-	-	-	-	-	-	-	-
X Guo	-	-	-	-	-	-	-	-	-
M Guy	-	1,500,000	-	-	-	1,500,000	-	-	-
Dec 2018									
A Ho	-	-	-	-	-	-	-	-	-
J Mair	6,000,000	-	-	-	-	6,000,000	-	-	-
S Cato	-	-	-	-	-	-	-	-	-
X Guo									
W Chen	-	-	-	-	-	-	-	-	-
M Guy	-	-	-	-	-	-	-	-	-

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

29: Transactions with related parties

Simon Cato is a Non-executive Director and Chairman of Advanced Share Registry Limited. Advanced Share Registry Limited provides share registry services to Greenland Minerals Limited. These services are supplied on normal commercial terms and Mr Cato does not receive any remuneration from Advanced Share Registry Limited based on the supply of share registry services to the Consolidated Group. For the year ended 31 December 2019 $42,814 was paid to Advance Share Registry Limited for services provided (Dec 2018: $47,304).

30: Parent Company information

	Parent	
	Dec 2019 $' 000	Dec 2018 $' 000
Financial position		
Total Current Assets	9,260	6,738
Total Non-Current Assets	85,922	84,296
Total Assets	95,182	91,034
Total Current Liabilities	1,238	902
Total non-current liabilities	709	160
Total Liabilities	1,947	1,062
Net Assets	93,235	89,972
Equity		
Issued Capital	371,808	365,247
Reserves	20,439	20,160
Accumulated Losses	(299,012)	(295,435)
Total Equity	93,235	89,972
Financial Performance		
Profit (Loss) for the year	(3,577)	641
Total comprehensive income	**(3,577)**	**641**

Contingent liabilities
The parent company has no contingent liabilities as at 31 December 2019 or 2018.

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

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

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

31: Remuneration of auditors

Auditor of the parent entity	Dec 2019 $	Dec 2018 $
Audit or review of the financial report	90,825	90,825
Other assurance services	8,400	8,400
	99,225	99,225

Related practice of the parent entity auditor	Dec 2019 $	Dec 2018 $
Audit or review of the financial report	30,801	29,750
Non-audit services – taxation	1,830	1,806
Non-audit services – other	2,261	1,806
	34,892	33,362

The auditor of Greenland Minerals Limited is Deloitte Touche Tohmatsu.

32: Subsequent Events

Subsequent to the end of the financial year there have been considerable economic disruptions arising from the outbreak of COVID-19 virus. The Group considers this to be a non-adjusting post balance sheet event. At the date of signing the financial report the Group is unable to determine what financial effects the outbreak of the virus could have on the Group in the coming financial period. The Groups has clear lines of communications in place with Greenland Government departments and has been informed that they are structured and positioned to be able to coordinate the review of updated EIA material.

Once outstanding Kvanefjeld Project EIA issues have been satisfied, the Group will be working with Greenland to plan a public consultation period. At the point of commencement of public consultation, the impact assessments and non-technical summaries are made available on the Government of Greenland website. Public meetings are typically part of this process. The Group will communicate with Greenland on the logistics of conducting public meetings, primarily in southern Greenland, when the government is satisfied that they are ready to present the Project for consultation. The Group will look to keep the market informed of developments concerning the status of the EIA, the scheduling of a public consultation period, and how this important process will be conducted.

No financial effects arising from the economic impacts of the virus have been included in the financial results for the year ended 31 December 2019.

The Company has already implemented a number of actions, with a range of expenditure containment measures designed to deal with prolonged economic and logistical impacts of the COVID19 outbreak. Further contingency measures have been considered and will be implemented as is deemed necessary. Given the inherent unpredictability associated with the COVID-19 outbreak and any further contingency measures that may be put in place by the relevant governments and corporate entities combined with customer behaviours, the actual financial impact of the COVID-19 outbreak, if any, on the Group’s 2020 financial statements could be significantly different from the estimates disclosed above depending on how the situation evolves.

There have been no other matters or circumstances occurring subsequent to the financial year that has significantly affected, or may significantly affect, the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future years.

Additional stock exchange information as at 19th February 2020

Consolidated Group secretary
Miles Guy

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

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

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

Table of exploration licences

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

Number of holders of equity securities
Ordinary share capital
1,190,982,530 fully paid ordinary shares are held by 5,348 individual shareholders.

Additional stock exchange information as at 19th February 2020

Substantial Shareholders

Shareholder		Number	Percentage
1.	Citicorp Nominees Pty Limited	198,743,205	16.9%
2.	JP Morgan Nominees Pty Limited	160,859,117	13.5%
3.	Le Shan Shenghe Rare Earth Company Limited	125,000,000	10.5%
4.	HSBC Custody Nominees (Australia) Limited	77,568,717	6.5%

Distribution of holders of quoted shares

Share Spread	Holders	Units	Percentage
1 – 1,000	382	139,781	0.012%
1,001 – 5,000	958	3,343,102	0.281%
5,001 – 10,000	898	7,383,586	0.620%
10,001 – 100,000	2,331	92,153,533	7.738%
100,001 and over	779	1,087,962,528	91.350%
	5,348	**1,190,982,530**	**100%**

Twenty largest holders of quoted shares

		Fully paid ordinary shares	
Ordinary shareholders		Number	Percentage
1.	Citicorp Nominees Pty Limited	198,743,205	16.9%
2.	JP Morgan Nominees Australia Limited	160,859,117	13.5%
3.	Le Shan Shenghe Rare Earth Company Limited	120,000,000	10.5%
4.	HSBC Custody Nominees (Australia) Limited	77,568,717	6.5%
5.	BNP Paribas Noms Pty Limited	44,993,635	3.8%
6.	Peto Pty Ltd <1953 Super Fund A/C>	35,000,000	2.9%
7.	Merrill Lynch (Australia) Nominees Pty Limited	28,960,076	2.4%
8.	Simon Millington	10,000,000	0.8%
9.	Tadea Pty Ltd <Richardson Family S/F A/C>	8,550,000	0.7%
10.	John Mair	8,364,062	0.7%
11.	M & H Andrusiewicz <ATOZ Super Fund A/C>	7,000,000	0.6%
12.	Jiahuang Zhang	6,900,000	0.6%
13.	Melda Super Pty Ltd <Melda Super Fund A/C>	6,580,000	0.6%
14.	Simon Cato	6,389,594	0.5%
15.	Adonis Kiritsopoulos & Jennifer Ford	5,000,000	0.4%
16.	Sie Lung Kwee	4,756,779	0.4%
17.	Catchpole Investments Pty Ltd <Robert Catchpole A/C>	4,175,000	0.3%
18.	G, D & D Iessini	3,931,505	0.3%
19.	Yu Jing Cheing	3,900,000	0.3%
20.	Anthony Ho	3,875,610	0.3%
		745,547,300	**62.6%**

GREENLAND MINERALS LTD

THE COMPANY'S APPROACH CONTINUES TO BE ONE OF PRODUCING EXTREMELY RIGOROUS IMPACT ASSESSMENTS THAT CAN PROVIDE CONFIDENCE TO REGULATORS AND TO STAKEHOLDERS.

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