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BLACK ANGEL MINING A/S
C/O NUNA ADVOKATER A/S, QULLILERFIK 2 6., 3900 NUUK
ANNUAL REPORT
1 MARCH 2022 - 28 FEBRUARY 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 16 August 2023

Georgia Margaret Quenby

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
Auditor's report on compilation of financial information.....	5
Management Commentary	
Management Commentary.....	6
Financial Statements 1 March 2022 - 28 February 2023	
Income Statement.....	7
Balance Sheet.....	8-9
Equity.....	10
Notes.....	11-12
Accounting Policies.....	13-14

COMPANY DETAILS

Company	BLACK ANGEL MINING A/S c/o Nuna Advokater A/S, Qullilerfik 2 6. 3900 Nuuk CVR No.: 12 43 99 11 Established: 19 November 2007 Municipality: Sermersooq Financial Year: 1 March 2022 - 28 February 2023
Board of Directors	Georgia Margaret Quenby, chairman Justinas Matusevicius Joan Maria Plant
Executive Board	Joan Maria Plant
Auditor	BDO Statsautoriseret revisionsaktieselskab Imaneq 33, 7. etage, Box 20 GL-3900 Nuuk

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of BLACK ANGEL MINING A/S for the financial year 1 March 2022 - 28 February 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 28 February 2023 and of the results of the Company's operations for the financial year 1 March 2022 - 28 February 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

The Board of Directors and Executive Board remain of the opinion that the conditions for opting out of audit have been fulfilled.

We recommend the Annual Report be approved at the Annual General Meeting.

Nuuk, 16 August 2023

Executive Board

Joan Maria Plant

Board of Directors

Georgia Margaret Quenby
Chairman

Justinas Matusevicius

Joan Maria Plant

AUDITOR'S REPORT ON COMPILATION OF FINANCIAL INFORMATION

To the Shareholders of BLACK ANGEL MINING A/S

We have compiled these Financial Statements of BLACK ANGEL MINING A/S for the financial year 1 March 2022 - 28 February 2023 based on the Company's accounting records and other information provided by Management.

These Financial Statements comprise income statement, balance sheet, statement of changes in equity, notes and accounting policies.

We performed this compilation engagement in accordance with the International Standard, Compilation Engagements.

We have applied our professional expertise to assist Management in the preparation and presentation of these Financial Statements in accordance with the Greenlandic Financial Statements Act. We have complied with relevant statutory provisions of the Greenlandic Audit Act and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), including principles of integrity, objectivity, professional behaviour, and due care.

These Financial Statements and the accuracy and completeness of the information used to compile these Financial Statements are Management's responsibility.

Since an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by Management to us to compile these Financial Statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these Financial Statements are prepared in accordance with the Greenlandic Financial Statements Act.

Nuuk, 16 August 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Claus Bech
State Authorised Public Accountant
MNE no. mne31453

MANAGEMENT COMMENTARY

Principal activities

Black Angel Mining A/S (“BAMAS” or the “Company”) carries on business to hold and use Exploration Licence 2020.26 and, via its parent company FBC Mining (BA) Limited, to access and use Exploration Licence 2010.45. As at 28th February 2023, it is a wholly owned subsidiary of FBC Mining (BA) Ltd which in turn is owned 75% by FBC Mining (Holdings) Ltd whose ultimate parent is FBC Holdings Sarl (private company registered in Luxembourg) and 25% by BAMAS ehf. private company registered in Iceland.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

After the financial year end cash at bank was used to reinstate the bond/deposit to the full DKK 7.927.480.

INCOME STATEMENT 1 MARCH - 28 FEBRUARY

	Note	2022/23 DKK	2021/22 DKK
GROSS LOSS.....		-721.641	-1.086.608
OPERATING LOSS.....		-721.641	-1.086.608
Other financial income.....		970	0
Other financial expenses.....		-40.508	-45.873
LOSS BEFORE TAX.....		-761.179	-1.132.481
Tax on profit/loss for the year.....	2	582.339	296.359
LOSS FOR THE YEAR.....		-178.840	-836.122
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-178.840	-836.122
TOTAL.....		-178.840	-836.122

BALANCE SHEET AT 28 FEBRUARY

ASSETS	Note	2023 DKK	2022 DKK
Intangible fixed assets acquired.....		60.159.016	60.159.016
Intangible assets.....	3	60.159.016	60.159.016
Land and buildings.....		4.003.715	4.003.715
Production plant and machinery.....		7.927.480	7.927.480
Property, plant and equipment.....	4	11.931.195	11.931.195
Deposit and other receivables.....		3.963.740	3.963.740
Financial non-current assets.....	5	3.963.740	3.963.740
NON-CURRENT ASSETS.....		76.053.951	76.053.951
Cash and cash equivalents.....		4.000.729	3.883.525
CURRENT ASSETS.....		4.000.729	3.883.525
ASSETS.....		80.054.680	79.937.476

BALANCE SHEET AT 28 FEBRUARY

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share capital.....		600.000	600.000
Retained earnings.....		40.997.032	41.175.872
EQUITY.....		41.597.032	41.775.872
Provision for deferred tax.....		11.838.282	12.420.621
Other provisions.....		7.927.480	7.927.480
PROVISIONS.....		19.765.762	20.348.101
Trade payables.....		109.151	59.135
Debt to Group companies.....		18.582.735	17.754.368
Current liabilities.....		18.691.886	17.813.503
LIABILITIES.....		18.691.886	17.813.503
EQUITY AND LIABILITIES.....		80.054.680	79.937.476
 Contingencies etc.	 6		
Charges and securities	7		

EQUITY

	Share capital	Retained earnings	Total
Equity at 1 March 2022.....	600.000	41.175.872	41.775.872
Proposed profit allocation.....		-178.840	-178.840
Equity at 28 February 2023.....	600.000	40.997.032	41.597.032

NOTES

			Note
Staff costs			1
Average number of employees	1	1	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	0	3.747	
Adjustment of tax in previous years.....	-392.045	0	
Adjustment of deferred tax.....	-190.294	-300.106	
	-582.339	-296.359	
Intangible assets			3
		Intangible fixed assets acquired	
Cost at 1 March 2022.....		60.483.304	
Cost at 28 February 2023.....		60.483.304	
Amortisation at 1 March 2022.....		324.288	
Amortisation at 28 February 2023.....		324.288	
Carrying amount at 28 February 2023.....		60.159.016	
Property, plant and equipment			4
		Land and buildings	Production plant and machinery
Cost at 1 March 2022.....	4.003.715		8.020.927
Cost at 28 February 2023.....	4.003.715		8.020.927
Depreciation and impairment losses at 1 March 2022.....	0		93.447
Depreciation and impairment losses at 28 February 2023.....	0		93.447
Carrying amount at 28 February 2023.....	4.003.715		7.927.480
Financial non-current assets			5
			Deposit and other receivables
Cost at 1 March 2022.....			3.963.740
Cost at 28 February 2023.....			3.963.740
Carrying amount at 28 February 2023.....			3.963.740

The amount represents a deposit in escrow as security for reclamation costs.

NOTES**Note****Contingencies etc.****6****Contingent liabilities**

In connection with the application for an exploitation license and its subsequent surrender, an initial amount representing the estimated reclamation costs was deposited in escrow as security for due performance of its obligations as required by the Bureau of Minerals and Petroleum in Greenland ("MLSA"). The escrowed amount will be released upon satisfactory fulfillment of its obligations or utilised to fulfil those obligations.

Charges and securities**7**

The terms of the surrender of Exploitation Licence 2008/29 effected in 2019 stipulates that the Company retains responsibility for the removal of all installations and equipment from the area and remedy any remaining damage to the terrain as agreed with the Government. The cost of the specified reclamation and demobilization activities at Black Angel is estimated in the surrender agreement at DKK 7,927,480. The evaluation of the Black Angel project is ongoing, and at present the Company does not intend to terminate the activities under the license.

ACCOUNTING POLICIES

The Annual Report of BLACK ANGEL MINING A/S for 2022/23 has been presented in accordance with the provisions of the Greenlandic Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets

Acquired intangible fixed assets is measured at cost less accumulated amortisation.

Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value.

Financial non-current assets

Deposits include deposits which are recognised and measured at cost. Deposits are not depreciated.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructurings etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.