



London Mining Greenland A/S

Qullilerfik 2, 6.
3900 Nuuk
CVR No. 12523122

Annual report 2021

The Annual General Meeting adopted the
annual report on 25.05.2022

Sui Xin Cai

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
The independent auditor's compilation report	4
Management commentary	5
Income statement for 2021	6
Balance sheet at 31.12.2021	7
Statement of changes in equity for 2021	9
Notes	10
Accounting policies	11

Entity details

Entity

London Mining Greenland A/S

Qullilerfik 2, 6.

3900 Nuuk

Business Registration No.: 12523122

Registered office: Sermersooq

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Zhenfa Wang

Sui Xin Cai

Han Aizhen

Executive Board

Zhenfa Wang

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Imaneq 33, 6-7th floor

3900 Nuuk

Greenland

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of London Mining Greenland A/S for the financial year 01.01.2021 - 31.12.2021.

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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We consider the preconditions for not auditing the financial statements for the financial year 01.01.2021 - 31.12.2021 as complied with.

We recommend the annual report for adoption at the Annual General Meeting.

Nuuk, 25.05.2022

Executive Board

Zhenfa Wang

Board of Directors

Zhenfa Wang

Sui Xin Cai

Han Aizhen

The independent auditor's compilation report

To Management of London Mining Greenland A/S

We have compiled the financial statements of London Mining Greenland A/S for the financial year 01.01.2021 - 31.12.2021 based on the Entity's bookkeeping records and other information Management has provided.

These financial statements comprise the income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies.

We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Public Accountants Act and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile the financial statements are Management's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the disclosures Management provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion about whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Nuuk, 25.05.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Bech

State Authorised Public Accountant
Identification No (MNE) mne31453

Management commentary

Primary activities

London Mining Greenland A/S primary activities is to keep an Exploitation Licence for the Isua deposit.

Description of material changes in activities and finances

London Mining Greenland A/S continued to hold the exploitation license for the Isua area during 2021, and continued to provide a basis for constructing and operating an iron mine in the bottom of Godthåbsfjorden.

The loss is 1.551.768 DKK. The result of the year was as expected.

The parent company has indicated that they will provide the necessary liquidity for the continued financing of the projekt for the coming year.

Events after the balance sheet date

In 2022 the company handed in the exploitation license to MLSA. No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		(1,020,381)	(5,337,538)
Staff costs	1	(504,400)	(483,096)
Operating profit/loss		(1,524,781)	(5,820,634)
Other financial expenses		(26,987)	(37,831)
Profit/loss for the year		(1,551,768)	(5,858,465)
Proposed distribution of profit and loss			
Retained earnings		(1,551,768)	(5,858,465)
Proposed distribution of profit and loss		(1,551,768)	(5,858,465)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Other receivables		3,499,252	3,499,252
Financial assets		3,499,252	3,499,252
Fixed assets		3,499,252	3,499,252
Cash		144,468	504,997
Current assets		144,468	504,997
Assets		3,643,720	4,004,249

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		500,000	500,000
Retained earnings		(11,858,549)	(10,306,781)
Equity		(11,358,549)	(9,806,781)
Other provisions	2	1,500,000	1,500,000
Provisions		1,500,000	1,500,000
Other payables		13,379,123	12,179,711
Non-current liabilities other than provisions	3	13,379,123	12,179,711
Trade payables		123,146	131,319
Current liabilities other than provisions		123,146	131,319
Liabilities other than provisions		13,502,269	12,311,030
Equity and liabilities		3,643,720	4,004,249

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	(10,306,781)	(9,806,781)
Profit/loss for the year	0	(1,551,768)	(1,551,768)
Equity end of year	500,000	(11,858,549)	(11,358,549)

Notes

1 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	504,400	483,096
	504,400	483,096
Average number of full-time employees	1	1

2 Other provisions

The terms of the exploration license held by the Company stipulates that, should the activities under the License be terminated, the Company has a responsibility to remove all installations and equipment from the area and remedy any remaining damage to the terrain within 12 months of such termination.

The cost of such reclamation and demobilization activities is estimated at DKK 1,500k at December 31, 2021 (2020: DKK 1,500k)

3 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Other payables	13,379,123	13,379,123
	13,379,123	13,379,123

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Greenlandic Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, consumables and external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages for entity staff.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and

doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of cost of removing all installation and equipment and damage to terrain.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.