



Tanbreez Mining Greenland A/S

Musaq 5
3905 Nuussuaq
CVR No. 12579918

Annual report 2019

The Annual General Meeting adopted the
annual report on 25.08.2020

Bolette Erna Maqe Nielsen
Chairman of the General Meeting

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Entity details

Entity

Tanbreez Mining Greenland A/S

Musaq 5

3905 Nuussuaq

CVR No.: 12579918

Registered office: Sermersooq

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Bolette Erna Maqe Nielsen, formand

Anna Wingell

Gregory Bennett Barnes

Executive Board

Gregory Bennett Barnes

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 Tanbreez Mining Greenland A/S for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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 01.01.2019 - 31.12.2019 as complied with.

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

Nuuk, 25.08.2020

Executive Board



Gregory Bennett Barnes

Board of Directors



Bolette Erna Maqe Nielsen
formand



Anna Wingell



Gregory Bennett Barnes

The independent auditor's compilation report

To Management of Tanbreez Mining Greenland A/S

We have compiled the financial statements of Tanbreez Mining Greenland A/S for the financial year 01.01.2019 - 31.12.2019 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 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 FSR – Danish Auditors' Code of Conduct for professional accountants, 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, 25.08.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963356



Claus Bech

State Authorised Public Accountant
Identification No (MNE) mne31453

Management commentary

Primary activities

The company's primary activity is exploration and mining of minerals in Greenland, trading minerals and other related activities.

Development in activities and finances

The year shows a loss DKK 1.681k compared with a profit of DKK 5.909k last year. The result is as expected.

Events after the balance sheet date

No other significant events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2019

| | Notes | 2019 DKK | 2018 DKK |
|---|-------|--------------------|--------------------|
| Gross profit/loss | | (1,995,133) | (7,066,282) |
| Other financial income | 1 | 314,284 | 12,978,701 |
| Other financial expenses | 2 | (364) | (3,513) |
| Profit/loss for the year | | (1,681,213) | 5,908,906 |
| Proposed distribution of profit and loss | | | |
| Retained earnings | | (1,681,213) | 5,908,906 |
| Proposed distribution of profit and loss | | (1,681,213) | 5,908,906 |

Balance sheet at 31.12.2019

Assets

| | Notes | 2019 DKK | 2018 DKK |
|----------------------------------|-------|--------------------|--------------------|
| Development projects in progress | 4 | 188,241,353 | 183,732,472 |
| Intangible assets | 3 | 188,241,353 | 183,732,472 |
| Fixed assets | | 188,241,353 | 183,732,472 |
| Cash | | 2 | 239,860 |
| Current assets | | 2 | 239,860 |
| Assets | | 188,241,355 | 183,972,332 |

Equity and liabilities

| | Notes | 2019 DKK | 2018 DKK |
|--|-------|--------------------|--------------------|
| Contributed capital | | 5,000,000 | 5,000,000 |
| Retained earnings | | 18,337,649 | 20,018,861 |
| Equity | | 23,337,649 | 25,018,861 |
| Trade payables | | 1,068,362 | 1,068,362 |
| Payables to group enterprises | | 163,043,560 | 157,763,508 |
| Deferred income | | 791,784 | 121,601 |
| Current liabilities other than provisions | | 164,903,706 | 158,953,471 |
| Liabilities other than provisions | | 164,903,706 | 158,953,471 |
| Equity and liabilities | | 188,241,355 | 183,972,332 |

Statement of changes in equity for 2019

| | Contributed capital DKK | Retained earnings DKK | Total DKK |
|---------------------------|-------------------------------|-----------------------------|-------------------|
| Equity beginning of year | 5,000,000 | 20,018,862 | 25,018,862 |
| Profit/loss for the year | 0 | (1,681,213) | (1,681,213) |
| Equity end of year | 5,000,000 | 18,337,649 | 23,337,649 |

Notes

1 Other financial income

| | 2019 DKK | 2018 DKK |
|------------------------|----------------|-------------------|
| Other financial income | 314,284 | 12,978,701 |
| | 314,284 | 12,978,701 |

2 Other financial expenses

| | 2019 DKK | 2018 DKK |
|--------------------------|-------------|--------------|
| Other financial expenses | 364 | 3,513 |
| | 364 | 3,513 |

3 Intangible assets

| | Development projects in progress DKK |
|------------------------------------|---|
| Cost beginning of year | 183,732,472 |
| Additions | 4,508,881 |
| Cost end of year | 188,241,353 |
| Carrying amount end of year | 188,241,353 |

4 Development projects

Research and development consisting of mining properties.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain 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.

Foreign currency translation

Foreign currency transactions are translated applying the average exchange rate. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date, are translated using the exchange rate at the balance sheet date. Exchange rate differences that arise between the average exchange rate and the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises own work capitalised, other operating income, cost of consumables and external expenses.

Other external expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies etc.

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 etc.

Balance sheet**Intellectual property rights etc**

Intangible assets acquired are measured at cost less accumulated amortisation and impairment losses..

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.