

**Greenland Anorthosite Mining ApS**

**Naternalq 17, Postboks 1174, 3905 Nuussuaq**

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*Annual report*

**2022**

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*Company reg. no. 40 50 22 62*

*The annual report was submitted and approved by the general meeting on the 24 May 2023.*

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**Claus Stoltenborg**  
*Chairman of the meeting*

*Notes:*

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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## ***Management's statement***

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Today, the board of directors and the executive board have presented the annual report of Greenland Anorthosite Mining ApS for the financial year 2022.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2022 and of the company's results of activities in the financial year 1 January - 31 December 2022.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

*Nuussuaq, 24 May 2023*

### ***Executive board***

Claus Stoltenborg

Claus Østergaard

Anders Nørby-Lie

### ***Board of directors***

Edward Wayne Malouf

Mike Jimmy Tong Sam

Audrey Hoe-Richardson

Søren Brinkmann

Jens Sønderberg Frederiksen

## ***Independent auditor's report***

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To the Shareholders of Greenland Anorthosite Mining ApS

### **Opinion**

We have audited the financial statements of Greenland Anorthosite Mining ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's Responsibilities for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs and the additional requirements applicable in Denmark 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 these financial statements.

## ***Independent auditor's report***

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As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 statements 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

### **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

## ***Independent auditor's report***

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In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

*Copenhagen, 24 May 2023*

**Martinsen**

*State Authorised Public Accountants  
Company reg. no. 32 28 52 01*

**Leif Tomasson**

*State Authorised Public Accountant  
mne25346*

## ***Company information***

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***The company*** Greenland Anorthosite Mining ApS  
Naternalq 17  
Postboks 1174  
3905 Nuussuaq

*Company reg. no.* 40 50 22 62  
*Financial year:* 1 January - 31 December  
4th financial year

***Board of directors*** Edward Wayne Malouf  
Mike Jimmy Tong Sam  
Audrey Hoe-Richardson  
Søren Brinkmann  
Jens Sønderberg Frederiksen

***Executive board*** Claus Stoltenborg  
Claus Østergaard  
Anders Nørby-Lie

***Auditors*** Martinsen  
Statsautoriseret Revisionspartnerselskab  
Øster Allé 42  
2100 København Ø

## ***Management's review***

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### **The principal activities of the company**

The principal activities of the company is in Milestone 1 and 2 to develop an Exploration mining license with Anorthosite in the southern part of Greenland initially into an Exploitation (mining) license and then as Milestone 3 build the necessary facilities to convert the Anorthosite deposit into an active mine delivering raw materials to the E-glass and other industries.

### **Development in activities and financial matters**

2022 and year to date 2023 has been successful for GAM. The last part of the Resource Definition Drilling has been completed with very good results and in addition GAM has worked with processing experts and the company has now enough certainty for its quality to support an upgrade of its original business case. This means that GAM will be able to deliver significantly more high value volume and have to sell less of the lowvalue applications with positive impact for the expected ROI.

In 2022 GAM has closed its dispute with Forrage Fussion Drilling and is been compensated through a successful settlement and have no further legal outstanding's.

Commercially GAM is advancing, and in September 2023 GAM expect to have its pricing estimate updated for the construction phase ready.

GAM has completed its Social and Environmental Impact studies as well as the Navigation Safety Instructions, and expect the public hearing to initiate over the summer. If everything goes well with the interactions with the MLSA (Greenlandic Mining authorities) GAM will have its mining license second half of 2023.

GAM is preparing for its construction financing and plan to be ready to initiate construction once the license has been granted.

***Income statement 1 January - 31 December****All amounts in DKK.*

Note	2022	2021
2 <i>Other operating income</i>	2.593.822	2.888.150
<i>Other external costs</i>	-1.253.172	-1.192.159
<b><i>Gross profit</i></b>	<b>1.340.650</b>	<b>1.695.991</b>
1 <i>Staff costs</i>	-3.297.860	-4.247.949
<b><i>Operating profit</i></b>	<b>-1.957.210</b>	<b>-2.551.958</b>
<i>Other financial income</i>	17.192	0
3 <i>Other financial costs</i>	-388.549	-118.151
<b><i>Net profit or loss for the year</i></b>	<b>-2.328.567</b>	<b>-2.670.109</b>

***Proposed distribution of net profit:***

<i>Allocated from retained earnings</i>	<b>-2.328.567</b>	<b>-2.670.109</b>
<i>Total allocations and transfers</i>	<b>-2.328.567</b>	<b>-2.670.109</b>

***Balance sheet at 31 December****All amounts in DKK.*

<b>Assets</b>		2022	2021
<u>Note</u>			
<b><i>Non-current assets</i></b>			
4 <i>Property, plant, and equipment under construction including pre-payments for property, plant, and equipment</i>		40.847.307	27.361.794
5 <i>Right-of-use assets</i>		87.363	87.363
<i>Total property, plant, and equipment</i>		<u>40.934.670</u>	<u>27.449.157</u>
6 <i>Deposits</i>		12.750	65.250
<i>Total investments</i>		<u>12.750</u>	<u>65.250</u>
<i>Total non-current assets</i>		<b><u>40.947.420</u></b>	<b><u>27.514.407</u></b>
<b><i>Current assets</i></b>			
<i>Other debtors</i>		1.744.092	0
<i>Prepayments</i>		0	8.753
<i>Total receivables</i>		<u>1.744.092</u>	<u>8.753</u>
<i>Cash and cash equivalents</i>		<u>6.381.547</u>	<u>23.680.555</u>
<i>Total current assets</i>		<b><u>8.125.639</u></b>	<b><u>23.689.308</u></b>
<i>Total assets</i>		<b><u>49.073.059</u></b>	<b><u>51.203.715</u></b>

***Balance sheet at 31 December****All amounts in DKK.****Equity and liabilities***

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b><i>Equity</i></b>		
<i>Contributed capital</i>	193.928	193.928
<i>Retained earnings</i>	36.114.718	38.443.285
<b><i>Total equity</i></b>	<b><u>36.308.646</u></b>	<b><u>38.637.213</u></b>
<b><i>Liabilities other than provisions</i></b>		
7 <i>Payables to group enterprises</i>	11.897.597	11.677.787
<b><i>Total long term liabilities other than provisions</i></b>	<b><u>11.897.597</u></b>	<b><u>11.677.787</u></b>
<i>Trade payables</i>	633.151	179.247
<i>Other payables</i>	233.665	709.468
<b><i>Total short term liabilities other than provisions</i></b>	<b><u>866.816</u></b>	<b><u>888.715</u></b>
<b><i>Total liabilities other than provisions</i></b>	<b><u>12.764.413</u></b>	<b><u>12.566.502</u></b>
<b><i>Total equity and liabilities</i></b>	<b><u>49.073.059</u></b>	<b><u>51.203.715</u></b>

**8 Contingencies**

## ***Statement of changes in equity***

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All amounts in DKK.

	<i>Contributed capital</i>	<i>Share premium</i>	<i>Retained earnings</i>	<i>Total</i>
<i>Equity 1 January 2021</i>	137.363	0	-2.034.091	-1.896.728
<i>Cash capital increase</i>	56.565	43.147.485	0	43.204.050
<i>Profit or loss for the year</i>				
<i>brought forward</i>	0	0	-2.670.109	-2.670.109
<i>Transferred to results brought</i>				
<i>forward</i>	0	-43.147.485	43.147.485	0
<i>Equity 1 January 2022</i>	193.928	0	38.443.285	38.637.213
<i>Profit or loss for the year</i>				
<i>brought forward</i>	0	0	-2.328.567	-2.328.567
	<b>193.928</b>	<b>0</b>	<b>36.114.718</b>	<b>36.308.646</b>

**Notes**

All amounts in DKK.

	2022	2021
<b>1. Staff costs</b>		
<i>Salaries and wages</i>	2.925.860	3.735.949
<i>Pension costs</i>	<u>372.000</u>	<u>512.000</u>
	<b><u>3.297.860</u></b>	<b><u>4.247.949</u></b>
<i>Average number of employees</i>	<u>3</u>	<u>3</u>
<b>2. Other operating income</b>		
<i>Capitalized staff costs</i>	2.371.983	2.888.150
<i>Capitalized intercompany interests</i>	<u>221.839</u>	<u>0</u>
	<b><u>2.593.822</u></b>	<b><u>2.888.150</u></b>
<b>3. Other financial costs</b>		
<i>Financial costs, group enterprises</i>	221.839	0
<i>Other financial costs</i>	<u>166.710</u>	<u>118.151</u>
	<b><u>388.549</u></b>	<b><u>118.151</u></b>
<b>4. Property, plant, and equipment under construction including pre-payments for property, plant, and equipment</b>		
<i>Cost 1 January 2022</i>	27.361.794	458.732
<i>Additions during the year</i>	<u>13.485.513</u>	<u>26.903.062</u>
<i>Cost 31 December 2022</i>	<b><u>40.847.307</u></b>	<b><u>27.361.794</u></b>
<i>Carrying amount, 31 December 2022</i>	<b><u>40.847.307</u></b>	<b><u>27.361.794</u></b>

Depreciations will begin when the mine is operational.

**Notes**

All amounts in DKK.

	31/12 2022	31/12 2021
<b>5. Right-of-use assets</b>		
Cost 1 January 2022	87.363	87.363
<b>Cost 31 December 2022</b>	<b>87.363</b>	<b>87.363</b>
<b>Carrying amount, 31 December 2022</b>	<b>87.363</b>	<b>87.363</b>
<i>The right-of-use asset is the exploration license MEL 2019-162. As the exploration has not yet started there are no depreciations.</i>		
<b>6. Deposits</b>		
Cost 1 January 2022	65.250	0
Additions during the year	0	65.250
Disposals during the year	-52.500	0
<b>Cost 31 December 2022</b>	<b>12.750</b>	<b>65.250</b>
<b>Carrying amount, 31 December 2022</b>	<b>12.750</b>	<b>65.250</b>

**7. Payables to group enterprises**

Total payables to group enterprises	11.897.597	11.677.787
Share of liabilities due after 5 years	11.897.597	11.677.787

**8. Contingencies****Contingent assets**

Taxvalue of tax losses, 10.362 TDKK, is not included in the annual accounts due to the uncertainty of when it will be utilized.

## ***Accounting policies***

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The annual report for Greenland Anorthosite Mining ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Some reclassifications have been made in the comparative figures in the balance sheet, which however do not have any effect on the profit or equity.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

## ***Accounting policies***

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### **Income statement**

#### **Other operating income**

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from conflict compensation and capitalized staff costs and interests. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

#### **Other external costs**

Other external costs comprise costs incurred for sales, administration, premises and operational leasing costs.

#### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### **Statement of financial position**

#### **Property, plant, and equipment under construction**

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued. Depreciation begins when the mine is ready for production.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

## ***Accounting policies***

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The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

### **Investments**

#### **Deposits**

Deposits are measured at amortised cost and represent lease deposits, etc.

#### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

#### **Prepayments and accrued income**

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

#### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank and on hand.

#### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises and other payables are measured at amortised cost which usually corresponds to the nominal value.