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# ***NAIP West Exploration A/S***

C/O Nuna Advokater ApS  
Qullilerfik 2, 6., DK-3900

## **Annual Report for 1 January - 31 December 2022**

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CVR No 42 47 53 78

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
20/6 2023

Thor Suhr  
Chairman of the General  
Meeting



**pwc**

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## **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of NAIP West Exploration A/S for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Greenlandic Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Nuuk, 20 June 2023

### **Executive Board**

Jonathan O'Callaghan  
Executive Officer

Jackie Chan  
Executive Officer

### **Board of Directors**

Nick Proulx  
Chairman

Martin Andrew Roberts  
Deputy Chairman

Bent Jensen

Sebastian Andrew Marr

Jonathan O'Callaghan

# Independent Auditor's Report

To the Shareholder of NAIP West Exploration A/S

## Opinion

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 Greenlandic Financial Statements Act.

We have audited the Financial Statements of NAIP West Exploration A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Greenland. 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 Greenland, 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.

## 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.

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 Greenlandic Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Greenlandic Financial Statements Act. We did not identify any material misstatement in Management's Review.

# Independent Auditor's Report

## 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 Greenlandic 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 Greenland 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Greenland, we exercise professional judgement and maintain professional scepticism 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.

## Independent Auditor's Report

- 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.

Hellerup, 20 June 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Søren Alexander

statsautoriseret revisor

mne42824

## Company Information

### **The Company**

NAIP West Exploration A/S  
C/O Nuna Advokater ApS  
Qullilerfik 2, 6.  
DK-3900

CVR No: 42 47 53 78

Financial period: 1 January - 31 December

Municipality of reg. office: Nuuk

### **Board of Directors**

Nick Proulx, Chairman  
Martin Andrew Roberts  
Bent Jensen  
Sebastian Andrew Marr  
Jonathan O'Callaghan

### **Executive Board**

Jonathan O'Callaghan  
Jackie Chan

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Management's Review

## Key activities

The company's purpose is to conduct business within mineral exploration as well as other related business at the discretion of the Board.

## Development in the year

The income statement of the Company for 2022 shows a loss of DKK 7,012,942, and at 31 December 2022 the balance sheet of the Company shows negative equity of DKK 2,840,178.

Moreover, in August 2022 the Company received a cash capital increase of approximately DKK 3.75 million.

## Capital resources

The Company's Parent Company, Anglo American Explorations Overseas Holdings Ltd., has declared to provide the necessary finances available, so that the Company is able to pay its creditors as they fall due. The financial support is effective until 31 December 2023. Please refer to Note 1 of the Financial Statements.

The Company has lost more than 50% of the share capital and is therefore comprised by the Greenland Companies Act's rules regarding loss of share capital.

Management expects that the Company will reestablish the lost share capital by the activities related to future explored mineral resources.



## Income Statement 1 January - 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
<b>Gross profit/loss</b>		<b>-6.713.781</b>	<b>-73.970</b>
Financial income		1.702	0
Financial expenses		<u>-300.863</u>	<u>0</u>
<b>Profit/loss before tax</b>		<b>-7.012.942</b>	<b>-73.970</b>
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
<b>Net profit/loss for the year</b>		<b><u>-7.012.942</u></b>	<b><u>-73.970</u></b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		<u>-7.012.942</u>	<u>-73.970</u>
		<b><u>-7.012.942</u></b>	<b><u>-73.970</u></b>

## Balance Sheet 31 December

	Note	2022 DKK	2021 DKK
<b>Assets</b>			
Cash at bank and in hand		<u>4.108.552</u>	<u>432.030</u>
<b>Currents assets</b>		<u>4.108.552</u>	<u>432.030</u>
<b>Assets</b>		<u>4.108.552</u>	<u>432.030</u>
<b>Liabilities and equity</b>			
Share capital		750.004	500.000
Retained earnings		<u>-3.590.182</u>	<u>-73.970</u>
<b>Equity</b>		<u>-2.840.178</u>	<u>426.030</u>
Other payables		58.270	6.000
Payables to group enterprises		<u>6.890.460</u>	<u>0</u>
<b>Short-term debt</b>		<u>6.948.730</u>	<u>6.000</u>
<b>Debt</b>		<u>6.948.730</u>	<u>6.000</u>
<b>Liabilities and equity</b>		<u>4.108.552</u>	<u>432.030</u>
Going concern	1		
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## Statement of Changes in Equity

	Share capital	Share premium	Retained	Total
	<u>DKK</u>	<u>account</u>	<u>earnings</u>	<u>DKK</u>
	DKK	DKK	DKK	DKK
Equity at 1 January	500.000	0	-73.970	426.030
Cash capital increase	250.004	3.496.730	0	3.746.734
Net profit/loss for the year	0	0	-7.012.942	-7.012.942
Transfer from share premium account	0	-3.496.730	3.496.730	0
<b>Equity at 31 December</b>	<b><u>750.004</u></b>	<b><u>0</u></b>	<b><u>-3.590.182</u></b>	<b><u>-2.840.178</u></b>

# Notes to the Financial Statements

## 1 Going concern

The Company's Parent Company, Anglo American Explorations Overseas Holdings Ltd., has issued a letter of support to the Company declaring that it will make the necessary finances available so that the Company is able to pay its creditors as they fall due. However, Anglo American Explorations Overseas Holdings Ltd. shows negative equity as per the most recently approved annual report. Consequently, in addition to the letter of support, Management has obtained documentation of the Group's intention to support the operation of the Company for the next 12 months.

Based on this, Management considers the Company's capital resources adequate and expects the Company to continue operating in the foreseeable future. However, due to the above mentioned, this assessment is subject to some uncertainty.

	2022 DKK	2021 DKK
<b>2 Staff expenses</b>		
<b>Average number of employees</b>	<u>2</u>	<u>1</u>

## 3 Related parties

### Consolidated Financial Statements

Name and place of registered office for the Parent Company of the smallest Group report including NAIP West Exploration A/S:

Name	Place of registered office
Anglo American plc	17 Charterhouse Street, London EC1n 6RA, England

# Notes to the Financial Statements

## 4 Accounting Policies

The Annual Report of NAIP West Exploration A/S for 2022 has been prepared in accordance with the provisions of the Greenlandic Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

### Recognition and measurement

Expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

## Income Statement

### Other external expenses

Other external expenses comprise administrative expenses such as consultants fees etc.

### Gross profit/loss

With reference to section 32 of the Greenlandic Financial Statements Act, gross profit/loss is calculated as a summary of other external expenses.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

# Notes to the Financial Statements

## 4 Accounting Policies (continued)

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.