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BDO Statsautoriseret revisionsaktieselskab  
Imaneq 33, 7. etage, Box 20  
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CVR no. 20 22 26 70

**LONDON MINING GREENLAND A/S**  
**C/O NUNA ADVOKATER, QULLILERFIK 2 6., 3900 NUUK**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2023**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 10 May 2024**

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**Sui Xin Cai**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 12 52 31 22**

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**COMPANY DETAILS**

|                           |   |
|---------------------------|---|
| <b>Company</b>            | LONDON MINING GREENLAND A/S<br>c/o Nuna Advokater, Qullilerfik 2 6.<br>3900 Nuuk          |
|                           | CVR No.: 12 52 31 22  |
|                           | Established: 29 December 2008   |
|                           | Municipality: Sermersooq  |
|                           | Financial Year: 1 January - 31 December   |
| <b>Board of Directors</b> | Sui Xin Cai, chairman<br>Han Aizhen<br>Zhenfa Wang  |
| <b>Executive Board</b>    | Zhenfa Wang   |
| <b>Auditor</b>            | BDO Statsautoriseret revisionsaktieselskab<br>Imaneq 33, 7. etage, Box 20<br>GL-3900 Nuuk |

## MANAGEMENT'S STATEMENT

*Today the Board of Directors and Executive Board have discussed and approved the Annual Report of LONDON MINING GREENLAND A/S for the financial year 1 January - 31 December 2023.*

*The Annual Report is presented in accordance with the Greenlandic 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 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 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, 10 May 2024

Executive Board

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Zhenfa Wang

Board of Directors

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Sui Xin Cai  
Chairman

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Han Aizhen

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Zhenfa Wang

## AUDITOR'S REPORT ON COMPILATION OF FINANCIAL INFORMATION

*To the Shareholder of LONDON MINING GREENLAND A/S*

*We have compiled these Financial Statements of LONDON MINING GREENLAND A/S for the financial year 1 January - 31 December 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 Danish 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, 10 May 2024

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CVR no. 20 22 26 70

Claus Bech  
State Authorised Public Accountant  
MNE no. mne31453

## MANAGEMENT COMMENTARY

### ***Principal activities***

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

### ***Development in activities and financial and economic position***

*The company has a dispute with MLSA who intend to revoke the exploitation license.*

*The parent company has offered its commitment to provide the necessary liquidity for the continued financing of the projekt for at least the coming year.*

### ***Significant events after the end of the financial year***

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

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

|                                      | Note | 2023<br>DKK | 2022<br>DKK |
|--------------------------------------|------|-------------|-------------|
| GROSS LOSS.....                      |      | -287.214    | 338.550     |
| Staff costs.....                     | 1    | -673.500    | -648.920    |
| OPERATING LOSS.....                  |      | -960.714    | -310.370    |
| Other financial income.....          |      | 45.490      | 431         |
| Other financial expenses.....        |      | -2.309      | -20.580     |
| LOSS BEFORE TAX.....                 |      | -917.533    | -330.519    |
| Tax on profit/loss for the year..... |      | 0           | 0           |
| LOSS FOR THE YEAR.....               |      | -917.533    | -330.519    |
| PROPOSED DISTRIBUTION OF PROFIT      |      |             |             |
| Retained earnings.....               |      | -917.533    | -330.519    |
| TOTAL.....                           |      | -917.533    | -330.519    |

## BALANCE SHEET AT 31 DECEMBER

| ASSETS                                  | Note | 2023<br>DKK      | 2022<br>DKK      |
|---|------|------------------|------------------|
| Rent deposit and other receivables..... |      | 3.487.681        | 3.487.681        |
| Financial non-current assets.....       | 2    | 3.487.681        | 3.487.681        |
| <b>NON-CURRENT ASSETS.....</b>          |      | <b>3.487.681</b> | <b>3.487.681</b> |
| Cash and cash equivalents.....          |      | 128.690          | 6.530            |
| <b>CURRENT ASSETS.....</b>              |      | <b>128.690</b>   | <b>6.530</b>     |
| <b>ASSETS.....</b>                      |      | <b>3.616.371</b> | <b>3.494.211</b> |

## BALANCE SHEET AT 31 DECEMBER

| EQUITY AND LIABILITIES              | Note     | 2023<br>DKK        | 2022<br>DKK        |
|-------------------------------------|----------|--------------------|--------------------|
| Share Capital.....                  |          | 500.000            | 500.000            |
| Retained earnings.....              |          | -13.106.600        | -12.189.067        |
| <b>EQUITY.....</b>                  |          | <b>-12.606.600</b> | <b>-11.689.067</b> |
| Other non-current liabilities.....  |          | 16.130.145         | 14.756.266         |
| <b>Non-current liabilities.....</b> | <b>4</b> | <b>16.130.145</b>  | <b>14.756.266</b>  |
| Trade payables.....                 |          | 92.826             | 427.012            |
| <b>Current liabilities.....</b>     |          | <b>92.826</b>      | <b>427.012</b>     |
| <b>LIABILITIES.....</b>             |          | <b>16.222.971</b>  | <b>15.183.278</b>  |
| <b>EQUITY AND LIABILITIES.....</b>  |          | <b>3.616.371</b>   | <b>3.494.211</b>   |
| <br>Going concern assumptions       | <br>5    |                    |                    |

## EQUITY

|   | Share Capital  | Retained earnings  | Total              |
|---|----------------|--------------------|--------------------|
| Equity at 1 January 2023.....           | 500.000        | -12.189.067        | -11.689.067        |
| Proposed profit allocation.....         |                | -917.533           | -917.533           |
| <b>Equity at 31 December 2023 .....</b> | <b>500.000</b> | <b>-13.106.600</b> | <b>-12.606.600</b> |

## NOTES

|  | 2023<br>DKK                     | 2022<br>DKK                           | Note   |
|--|---------------------------------|---------------------------------------|--|
| <b>Staff costs</b>   |                                 |                                       | <b>1</b>   |
| Average number of full time employees  | 1                               | 1                                     |  |
| Wages and salaries.....  | 673.500                         | 648.920                               |  |
|  | <b>673.500</b>                  | <b>648.920</b>                        |  |
| <br><b>Financial non-current assets</b>  |                                 |                                       | <br><b>2</b>   |
|  |                                 | Rent deposit and<br>other receivables |  |
| Cost at 1 January 2023.....  |                                 | 3.487.681                             |  |
| <b>Cost at 31 December 2023.....</b>   |                                 | <b>3.487.681</b>                      |  |
| <br>Carrying amount at 31 December 2023.....   |                                 | <br><b>3.487.681</b>                  |  |
| <br><b>Other provisions</b>  |                                 |                                       | <br><b>3</b>   |
| 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 cleaning of the site was finalized in 2022 and thus the provision has been revoked.  |                                 |                                       |  |
| <br><b>Long-term liabilities</b>   |                                 |                                       | <br><b>4</b>   |
|  | 31/12 2023<br>total liabilities | Repayment<br>next year                | Debt<br>outstanding<br>after 5 years total liabilities |
| Other non-current liabilities.....   | 16.130.145                      | 0                                     | 0 14.756.266   |
| Accruals and deferred income.....  | 0                               | 0                                     | 13.379.123 0   |
|  | <b>16.130.145</b>               | <b>0</b>                              | <b>13.379.123 14.756.266</b>                           |
| <br><b>Going concern assumptions</b>   |                                 |                                       | <br><b>5</b>   |
| The parent company has issued a letter of comfort with the commitment to provide the necessary liquidity for the continued financing of the project for at least the coming year.  |                                 |                                       |  |

## ACCOUNTING POLICIES

*The Annual Report of LONDON MINING GREENLAND A/S for 2023 has been presented in accordance with the provisions of the Danish 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 operating income**

*Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.*

#### **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*

#### **Staff costs**

*Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.*

#### **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

#### **Financial non-current assets**

#### **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.*

## ACCOUNTING POLICIES

### *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.*