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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 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 5 June 2023**

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

Company	LONDON MINING GREENLAND A/S c/o Nuna Advokater, Qullilerfik 2 6. 3900 Nuuk
	CVR No.: 12 52 31 22
	Established: 29 December 2008
	Municipality: Sermersooq
	Financial Year: 1 January - 31 December
Board of Directors	Sui Xin Cai, chairman Han Aizhen Zhenfa Wang
Executive Board	Zhenfa Wang
Auditor	BDO Statsautoriseret revisionsaktieselskab Imaneq 33, 7. etage, Box 20 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 2022.

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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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, 5 June 2023

Executive Board

Zhenfa Wang

Board of Directors

Sui Xin Cai
Chairman

Han Aizhen

Zhenfa Wang

AUDITOR'S REPORT ON COMPILATION OF FINANCIAL INFORMATION

To the Shareholders 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 2022 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 Greenlandic 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, 5 June 2023

BDO Statsautoriseret revisionsaktieselskab
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

London Mining Greenland A/S has conducted cleaning activity in the whole area for Isua, all equipment have been moved to camp site and been secured with protective material and in good condition. The provision related to this is thus revoked in the year.

The loss for the year was DKK 331k.

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 project 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	2022 DKK	2021 DKK
GROSS PROFIT.....		338.550	-1.020.381
Staff costs.....	1	-648.920	-504.400
OPERATING LOSS.....		-310.370	-1.524.781
Other financial income.....		431	0
Other financial expenses.....		-20.580	-26.987
LOSS BEFORE TAX.....		-330.519	-1.551.768
Tax on profit/loss for the year.....		0	0
LOSS FOR THE YEAR.....		-330.519	-1.551.768
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-330.519	-1.551.768
TOTAL.....		-330.519	-1.551.768

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Deposit and other receivables.....		3.487.682	3.499.252
Financial non-current assets.....	2	3.487.682	3.499.252
NON-CURRENT ASSETS.....		3.487.682	3.499.252
Cash and cash equivalents.....		6.529	144.468
CURRENT ASSETS.....		6.529	144.468
ASSETS.....		3.494.211	3.643.720

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....		500.000	500.000
Retained earnings.....		-12.189.067	-11.858.549
EQUITY.....		-11.689.067	-11.358.549
Other provisions.....	3	0	1.500.000
PROVISIONS.....		0	1.500.000
Other non-current liabilities.....		14.756.266	13.379.123
Non-current liabilities.....	4	14.756.266	13.379.123
Trade payables.....		427.012	123.146
Current liabilities.....		427.012	123.146
LIABILITIES.....		15.183.278	13.502.269
EQUITY AND LIABILITIES.....		3.494.211	3.643.720

EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2022.....	500.000	-11.858.548	-11.358.548
Proposed profit allocation.....		-330.519	-330.519
Equity at 31 December 2022.....	500.000	-12.189.067	-11.689.067

NOTES

			Note
Staff costs			1
Average number of employees	1	1	
Wages and salaries.....	648.920	504.400	
	648.920	504.400	
 Financial non-current assets			 2
		Rent deposit and other receivables	
Cost at 1 January 2022.....		3.499.252	
Disposals.....		-11.570	
Cost at 31 December 2022.....		3.487.682	
 Carrying amount at 31 December 2022.....		 3.487.682	
 Other provisions			 3
0-1 år.....	0	1.500.000	
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.			
 Long-term liabilities			 4
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years total liabilities 31/12 2021 total liabilities
Other non-current liabilities.....	14.756.266	0	13.379.123 13.379.123
	14.756.266	0	13.379.123 13.379.123

ACCOUNTING POLICIES

The Annual Report of LONDON MINING GREENLAND A/S for 2022 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

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructurings etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract.

ACCOUNTING POLICIES

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.

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.