GREENLAND MINERALS AND ENERGY LIMITED

ACN 118 463 004

CONSOLIDATED FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2015

Corporate Directory

Directors

Anthony Ho	Non-executive Chairman
John Mair	Managing Director
Simon Cato	Non-executive Director
Michael Hutchinson	Non-executive Director
Jeremy Whybrow	Non-executive Director

Company Secretary

Miles Guy

Registered and head office

Unit 6, 100 Railway Road
Subiaco WA 6008

Greenland Office

Nuugaarmiunt B-847
3921 Narsaq, Greenland

Home Stock Exchange

Australian Securities Exchange, Perth
Code: GGG
GGGOA

Auditors

Deloitte Touche Tohmatsu

Share Registry

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

Company Website

www.ggg.gl

Contents

Directors' Report

The directors of Greenland Minerals and Energy Limited (the Company) herewith submit the consolidated financial report of Greenland Minerals and Energy Limited and its subsidiaries (the Consolidated Group or GME), for the half-year ended 30 June 2015. Pursuant to the provisions of the *Corporations Act 2001*, the directors report as follows:

The names of directors of the Company during or since the end of the half-year are:

Anthony Ho, **Non-executive Chairman**
John Mair, **Managing Director**
Simon Cato, **Non-executive Director**
Michael Hutchinson, **Non-executive Director**
Jeremy Sean Whybrow, **Non-executive Director**

Principal Activities

The principal activity of the Consolidated Group during the period was mineral exploration and project evaluation.

Review of Operations

The net loss of the Consolidated Group after providing for income tax was $2,153,078, including a non-reoccurring share based payment for royalty acquisition of $847,983 compared to a net loss of $2,698,295 for the corresponding period last year.

2015, Half-Yearly Highlights

- Updated Mineral Resource Estimate for the Kvanefjeld Project
  - 143 million tonnes in 'Measured' category @ 303ppm U_3O_8, 1.2% TREO and 0.24% zinc
  - This includes 54 million tonnes @ 403ppm U_3O_8, 1.4% TREO and 0.24% zinc
  - Project global resources now stands at 1.01 billion tonnes containing 593 million pounds U_3O_8, 11.13 million tonnes TREO
- Kvanefjeld Feasibility Study complete, confirms the project can be developed to be a highly profitable, low-cost diversified producer of critical rare earths, with by-production of uranium, lanthanum, cerium, zinc and fluorspar
- Maiden Ore Reserve Estimate established – 108 million tonnes, sufficient to underpin initial 37 year mine-life (factors in Q1, 2015 metal prices)
- New Memorandum of Understanding Signed With China Non-Ferrous Metal Industry's Foreign Engineering and Construction Co. Ltd. (NFC)
- Exploration License over Kvanefjeld Project Area renewed for further three years
  - Exploration license can be converted to an exploitation license following approvals of an exploitation license application and meeting all regulatory requirements

Directors' Report

- Large-scale beneficiation pilot plant operation successfully operated in Finland in association with the EURARE program that processed 26 tonnes of ore to generate 2 tonnes of mineral concentrate

- Independent Danish experts visit south Greenland to provide facts in relation to uranium, rare earths, radioactivity and the environment

- Regulatory developments – international safety conventions associated with radioactive materials commence public hearing in Greenland

- Company focus now on finalising the Environmental and Social impact Assessments that supplement the Feasibility Study to complete material for a mining license application

Introduction

The first 6 months of 2015 has been highly productive with a focus on finalising all necessary material to commence the permitting phase for the Kvanefjeld Project. The commencement of permitting will represent a major project milestone, and the culmination of all work programs conducted since the GME commenced work on Kvanefjeld in 2007.

Kvanefjeld is an advanced rare earth project globally, and is well-positioned to be a lowest cost quartile producer. The unique minerals allow for a much simpler processing route than what has traditionally been the case in rare earth production elsewhere, and is supported with multiple by-products generated at low incremental cost to ensure strong project economics.

GME will be ready to hand over an exploitation license application to the Greenland government in Q4, 2015. Standard process is for Greenland's Minerals Licensing and Safety Authority (MLSA) to review the application documents to ensure all is in accordance with regulatory requirements before officially accepting and processing the application.

Finalisation of an application and commencement of the permitting process will bring greater clarity to the project timeline and strengthen GME's position to advance commercial aspects of Kvanefjeld's development, of having off-take agreements and a project finance strategy in place at the point of approval.

Developments through Quarters 1 and 2

The updated mineral resource estimate was completed, which saw 143 million tonnes shifted into the 'measured' category at the Kvanefjeld deposit. This was important to establishing the initial ore reserve. In addition, the global resource base was increased to 1.01 billion tonnes containing 11.14 million tonnes of total rare earth oxide (TREO) and 593 million pounds of U_3O_8 (JORC-code 2012 compliant).

Constructive meetings were held with representatives of the Greenland government in Toronto around the PDAC meeting, where a number of Greenland-focussed events took place. With a new government formed in Greenland in late 2014, this was an important opportunity to discuss the outlook for 2015 and beyond, with an emphasis on timelines associated with permitting.

In late March, Tony Ho the Company's Chairman, and John Mair Managing Director, visited Beijing for meetings with NFC. With a constructive 12 months of cooperation achieved, a new Memorandum of Understanding was signed to focus on the next steps in establishing a Strategic Cooperation Agreement to jointly develop the Kvanefjeld Project.

Directors' Report

Also during Q1, 2015 GME received a renewal of its key exploration license EL 2010/02, which covers the northern Ilimaussaq complex that hosts the mineral resources for the Kvanefjeld project. The exploration license was renewed for a further three years.

The Company additionally finalised the acquisition of the outstanding 2% royalty over the Kvanefjeld Project, and now holds all royalty agreements associated with exploration license EL 2010/02 that covers the project area.

The Feasibility Study, completed in May, represents the culmination of numerous technical studies across multiple disciplines, and follows on from the Prefeasibility Study (2012) and the Mine and Concentrator Study (2013). The Ore Reserve Estimate followed the release of the updated Mineral Resource Estimate in February, 2015, and the Feasibility Study. With 108 million tonnes in Proven and Probable Reserves, the estimate supports an initial 37 year mine-life, inclusive of ramp-up. The resource base of greater than 1 billion tonnes will allow for both capacity expansions, and significant mine-life extensions.

These major project achievements confirm Kvanefjeld's status as one of the largest undeveloped resources of rare earths and uranium that is also one of the most-technically advanced, being backed by a comprehensive Feasibility Study.

The Feasibility Study highlights that the Kvanefjeld Project can be developed as one of the lowest-cost producers of rare earth elements and uranium globally. The primary revenue driver is the critical rare earth product that contains a mix of neodymium, praseodymium, europium, terbium, dysprosium and yttrium. The low incremental cost of recovering uranium and lanthanum and cerium by-products will contribute to strong operating margins.

During Q2, 2015 a successful pilot plant operation of the concentrator circuit (flotation) produced 2 tonnes of rare earth and uranium rich mineral concentrate. The mineral concentrate will be treated in a pilot plant operation of the refinery circuit in September, 2015. The concentrator pilot plant was conducted through the EURARE program, and further reinforces the effectiveness of the process flow sheet that has been rigorously developed for the unique Kvanefjeld ores.

In Greenland, GME continued to consult with a cross section of stakeholders in the southern townships near the Kvanefjeld Project area, and the capital Nuuk, as well as attending industry focussed events such as the Future Greenland meeting. GME also participated in the European Union – Greenland raw materials workshop held in Brussels in June.

Funding

In March 2015, GME entered into an equity placement funding facility with Hong Kong-based investment group, Long State Investment Limited ('Long State').

Under the terms of the facility, GME may, at its discretion, call for Long State to subscribe for shares in the Company at any time over 24 months, up to a total Placement amount of $20,000,000. GME may require Long State to pay a placement amount of up to $500,000 in any period of 10 trading days. During the period ended 30 June 2015, two placements had been made to Long State for the total net amount after commission of $950,000

Outlook

The Consolidated Groups main focus in Q3, 2015 is on finalising the Environmental and Social Impact Assessments for the Kvanefjeld project. The impact assessments draw on comprehensive baseline studies that were undertaken for several years, and were conducted in close consultation with leading expert consultancies, and Danish technical agencies.

Directors' Report

The impact assessments, along with the Feasibility Study comprise the exploitation (mining) license application. Upon completion, GME will be submitting the documents to the relevant Greenland government departments to review (the 'guidance period'), prior to official acceptance of the application, in accordance with standard procedure. The guidance period is designed to ensure that the application meets the necessary requirements, and identifies the study components that are required to be translated.

The GME looks forward to a productive second half of 2015, and providing further updates on the permitting process and timelines, along with other project developments.

Rounding off of amounts

The Consolidated Group is a consolidated group of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors Report and half-year Financial Report are rounded off to the nearest thousand dollars unless otherwise indicated.

Subsequent events to balance date

On the 9 September 2015, the Company announced details of a partially underwritten non-renounceable rights issue, enabling existing shareholders to apply for 1 new share at $0.035 per share for every 4 shares held at the record date. Shareholders will also receive 1 free option with an exercise price of $0.08 with every new share.

It is anticipated the rights issue will result in the issue of 175,491,368 new shares and raise $6,142,198 before taking into account issue costs. The closing date for acceptances under the rights issue will be 29 September 2015.

There has not been any other matter or circumstance occurring subsequent to the financial period that has significantly affected, or may significantly affect, the operations of the consolidated group, the results of those operations, or the state of affairs of the Consolidated Group in future years.

Auditor's Independence Declaration

The Auditor's independence declaration is included on page 5 of the half-year financial report.

Signed in accordance with a resolution of the directors made pursuant to s306(3) of the *Corporations Act 2001*.

On behalf of Directors

John Mair
Managing Director
Perth, 11/09/2015

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Greenland Minerals and Energy Limited
Unit 6, 100 Railway Road
Subiaco WA 6008

11 September 2015

Dear Board Members

Greenland Minerals and Energy Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Greenland Minerals and Energy Limited.

As lead audit partner for the review of the financial statements of Greenland Minerals and Energy Limited for the half-year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the audit review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D Newman

David Newman
Partner
Chartered Accountant

Deloitte Touche Tohmatsu
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Independent Auditor's Review Report to the members of Greenland Minerals and Energy Limited

We have reviewed the accompanying half-year financial report of Greenland Minerals and Energy Limited, which comprises the condensed statement of financial position as at 30 June 2015, the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 8 to 18.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Greenland Minerals and Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Greenland Minerals and Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Greenland Minerals and Energy Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half year financial statements, which indicates that the consolidated entity incurred a loss of $2,153,000 (2014: $2,698,000) and experienced net cash outflows from operating and investing activities of $2,990,000 (2014: $1,715,000) for the half year ended 30 June 2015. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the ordinary course of business.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D Newman.

David Newman
Partner
Chartered Accountants
Perth, 11 September 2015

Directors' declaration

The directors declare that:

a) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Group.

Signed in accordance with a resolution of the directors made in pursuant to s303(5) of the Corporations Act 2001.

On the behalf of the Directors

John Mair
Managing Director

Perth, 11/09/2015

Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2015

	Consolidated	
	30-Jun-15 $' 000	**30-Jun-14 $' 000**
Revenue from continuing operations		
Other income	84	391
Expenditure		
Directors and employee benefits	(529)	(561)
Audit and accounting fees	(54)	(40)
Impairment capitalised exploration and evaluation expenditure	(42)	-
Royalty acquisition	(847)	-
Consultant expense	(23)	(164)
Depreciation	(76)	(89)
Marketing, PR and legal expense	(83)	(292)
Occupancy expenses	(160)	(163)
Share based payments	-	(1,208)
Travel expenses	(32)	(107)
Other expenses	(391)	(465)
Loss before tax	(2,153)	(2,698)
Income tax expense	-	-
Loss for period	(2,153)	(2,698)
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss:		
Exchange difference arising on translation of foreign operations	(1,722)	(2,953)
Income tax relating to components of other comprehensive income	-	-
Total other comprehensive income	(1,722)	(2,953)
Total comprehensive income for the period	(3,875)	(5,651)
Loss attributable to:		
Owners of the parent	(2,153)	(2,698)
	(2,153)	(2,698)
Total comprehensive income attributable to:		
Owners of the parent	(3,875)	(5,651)
	(3,875)	(5,651)
Basic loss per share – cents per share	0.032	0.5
Diluted loss per share – cents per share	0.032	0.5

The accompanying notes from part of this financial report on pages 13 to 18.

Condensed consolidated statement of financial position
As at 30 June 2015

		Consolidated	
Current Assets	**Note**	**30-Jun-15 $' 000**	**31-Dec-2014 $' 000**
Cash and cash equivalents	3	3,429	5,569
Trade and other receivables		64	172
Other assets	4	593	219
Total Current Assets		4,086	5,960
Non-Current Assets			
Investments in associates		-	41
Property, plant and equipment		1,219	1,311
Capitalised exploration and evaluation expenditure	5	68,121	68,031
Available for sale financial assets		41	-
Other non-current assets		144	-
Total Non-Current Assets		69,525	69,383
Total Assets		73,611	75,343
Current Liabilities			
Trade and other payables	6	708	786
Other liabilities		67	85
Provisions		205	192
Total Current Liabilities		980	1,063
Non-Current Liabilities			
Provisions		113	50
Total Non-Current liabilities		113	50
Total Liabilities		1,093	1,113
Net Assets		72,518	74,230
Equity			
Issued Capital	7	346,252	344,349
Reserves		(11,044)	(9,582)
Accumulated Losses		(262,690)	(260,537)
Total Equity		72,518	74,230

The accompanying notes from part of this financial report on pages 13 to 18.

Condensed Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2015

	Share capital $' 000	Option reserve $' 000	Foreign currency translation reserve $' 000	Non-controlling Interest Acquisition reserve $' 000	Accumulated losses $' 000	Total $' 000
Balance at 1 Jan 2014	336,950	24,888	4,538	(39,672)	(255,474)	71,230
Net loss for the period	-	-	-	-	(2,698)	(2,698)
Other Comprehensive income	-	-	(2,953)	-	-	(2,953)
Total comprehensive income for the period	-	-	(2,953)	-	(2,698)	(5,651)
Issue of shares from option exercise	16	(1)	-	-	-	15
Recognition of share based payments	611	596	-	-	-	1,207
Recognition of cost of share issue	(346)	-	-	-	-	(346)
Balance at 30 June 2014	337,231	25,483	1,585	(39,672)	(258,172)	66,455
Balance at 1 Jan 2015	344,349	27,567	2,523	(39,672)	(260,537)	74,230
Net loss for period	-	-	-	-	(2,153)	(2,153)
Other comprehensive income for the period	-	-	(1,722)	-	-	(1,722)
Total comprehensive income for the period	-	-	(1,722)	-	(2,153)	(3,875)
Issue of shares	950	-	-	-	-	950
Recognition of share based payments- acquisition of royalty	780	67	-	-	-	847
Recognition of share based payments- cost of Long State facility	408	193	-	-	-	601
Recognition of cost of share issue	(235)	-	-	-	-	(235)
Balance at 30 June 2015	346,252	27,827	801	(39,672)	(262,690)	72,518

The accompanying notes from part of this financial report on pages 13 to 18.

Condensed Consolidated Statement of Cash Flows

For the half-year ended 30 June 2015

	Consolidated	
	30-Jun-15 $' 000	30-Jun-14 $' 000
Cash flows from operating activities		
Receipts from customers	42	-
Payments to suppliers and employees	(1,244)	(1,287)
Proceeds from government grants and rebates	568	1,126
Net cash used in operating activities	(634)	(161)
Cash flows from investing activities		
Interest received	60	82
Payments for property, plant and equipment	(2)	(63)
Payments for exploration and development	(2,414)	(1,573)
Net cash used in investing activities	(2,356)	(1,554)
Cash flows from financing activities		
Proceeds from issue of shares /options	950	15
Share issue costs	(100)	(346)
Net cash from/(used in) financing activities	850	(331)
Net decrease in cash and equivalents	(2,140)	(2,046)
Cash and equivalents at the beginning of the financial period	5,569	5,343
Cash and equivalents at the end of the financial period	3,429	3,297

The accompanying notes from part of this financial report on pages 13 to 18.

Notes to the condensed consolidated financial statements
For the half-year ended 30 June 2015

Note 1: Statement of significant accounting policies

Statement of compliance

The half-year report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 ‘Interim Financial Reporting’. Compliance with AASB 134 ensures compliances with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The Consolidated Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented has been rounded to the nearest thousand dollars, unless otherwise stated. All amounts are presented in Australian dollars unless otherwise stated.

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company’s financial report for the year ended 31 December 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going concern

The consolidated entity incurred a loss of $2,153,000 (2014: $2,698,000) and experienced net cash outflows from operating and investing activities of $2,990,000 (2014: $1,715,000) for the half year ended 30 June 2015. Cash and cash equivalents totaled $3,429,000 as at 30 June 2015 (30 June 2014: $3,297,000).

The directors have prepared a cash flow forecast for the period ending 30 September 2016, which indicates the consolidated entity will have sufficient cash flow to meet working capital requirements through to 30 September 2016 including corporate costs, exploration expenditure, and costs associated with the lodgement and processing of the Kvanefjeld Project mining licence application. The following assumptions were used:

a) The completion of a capital raising, generating approximately $5,600,000 net of costs by December 2015 through the completion of an underwritten non-renounceable rights issue which was announced 9 September 2015.

b) Managing and deferring costs where applicable to coincide with the capital raising activity outlined above to ensure all obligations can be met.

The Directors are confident that the partially underwritten rights issue will be successful and the financial report is therefore prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Notes to the condensed consolidated financial statements
For the half-year ended 30 June 2015

Note 1: Statement of significant accounting policies (cont'd)

The Directors have reviewed the consolidated entity's overall position and outlook in respect of the matters identified above and are of the opinion that there are reasonable grounds to believe that the operational and financial plans in place are achievable and accordingly that the consolidated entity will be able to continue as a going concern and meet its obligations as and when they fall due.

The Company has a history of successful capital raisings to meet the consolidated entity's funding requirements. Should the Directors not be successful in achieving the matters set out above, there is a material uncertainty whether the consolidated entity will be able to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Adoption of new and revised accounting standards

In the current period, the Consolidated Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standard Board ("AASB") that are relevant to its operations and effective for the current half year. The adoption of these new and revised standards and interpretations has not resulted in any changes to the Consolidated Group's accounting policies or the amounts reported in the current or past reporting periods.

New and revised standards and interpretations include:

AASB 9	Financial Instruments
AASB 14	Regulatory Deferral Accounts
AASB 15	Revenue from Contracts with Customers
AASB 2013-9 (Part C)	Amendments to Australian Accounting Standards – Financial Instruments
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions if Interests in Joint Operations
AASB 2014-4	Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
AASB 2014-5	Amendments to Australian Accounting Standards arising from AASB 15
AASB 2014-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
AASB 2015-3	Amendments to Australian Accounting Standards arising from Withdrawal of AASB 1031 Materiality

The implementation of the new and revised standards, where applicable are not expected to result in material changes.

Notes to the condensed consolidated financial statements
For the half-year ended 30 June 2015

Note 2: Segmented reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment to assess its performance.

The Consolidated Group undertakes mineral exploration and evaluation in Greenland; one operating segment is identified, which is unchanged from that identified at 31 December 2014.

Note 3: Cash and cash equivalents

	Consolidated	
	30-Jun-15	31-Dec-14
	$' 000	$' 000
Cash at bank	709	397
Cash on deposit at call	2,382	4,751
Cash on deposit	338	421
	3,429	5,569

Note 4: Other assets

	Consolidated	
	30-Jun-15	31-Dec-14
	$' 000	$' 000
Deposit bonds	78	78
Prepayments	515	141
	593	219

Note 5: Capitalised exploration and evaluation expenditure

	Consolidated	
	30-Jun-15	31-Dec-14
	$' 000	$' 000
Balance at beginning of period	68,031	64,859
Add:		
Exploration and/or evaluation phase in current period:		
Capitalised expenses	2,402	6,294
	70,433	71,153
Less:		
Effects of movement in exchange rates	(1,702)	(1,996)
Impairment of EL 2013/05 capitalised costs (iii)	(42)	-
Research and development rebates received and receivable	(568)	(1,126)
Balance at end of period	68,121	68,031

Notes to the condensed consolidated financial statements
For the half-year ended 30 June 2015

Note 5: Capitalised exploration and evaluation expenditure (cont'd)

(i) The Kvanefjeld Project EL 2010/02 is held by Greenland Minerals and Energy (Trading) A/S, the 100% owned Greenlandic subsidiary. As a result all capitalised exploration and evaluation expenditure has been recognised in the Greenlandic subsidiary and at reporting date has been translated at the closing Australian dollar/Danish kroner exchange rate with the movement being recognised in the foreign currency translation reserve.

(ii) During the period the Company held 100% interest in Greenland exploration licenses EL 2011/26, EL 2011/27and EL 2013/05.

(iii) At 30 June 2015, the Company had made an application to relinquish EL 2013/05 following a decision not to carry out any further exploration activity for graphite on this licence area. The impairment represents the value of costs for this licence that were capitalised in prior years.

(iv) The recoverability of the Consolidated Group's carrying value of the capitalised exploration and evaluation expenditure relating to EL 2010/02, EL 2011/26 and EL 2011/27 is subject to the successful development and exploitation of the exploration property. The Consolidated Group has completed a feasibility study and will complete environmental and social impact studies, and will submit these studies with the relevant Greenland authorities, as an application for the right to mine.

(v) The Consolidated Group has a positive outlook regarding its ability to successfully develop the project, as a multi element project. The Consolidated Group will continue to evaluate the project, with the view of moving to development. This will be done in a manner that is in accordance with both Greenland Government and local community expectations.

Table of exploration licenses held at 30 June 2015

Exploration Licence	Location	Ownership
EL 2010/02	Southern Greenland	100% held by Greenland Minerals and Energy (Trading) A/S
EL 2011/26	Southern Greenland	100% held by Greenland Minerals and Energy Limited
EL 2011/27	Southern Greenland	100% held by Greenland Minerals and Energy Limited
EL 2013/05 (i)	Western Greenland	100% held by Greenland Minerals and Energy Limited

(i) Unrelated exploration license to the Kvanefjeld project that at the half year ended 30 June 2015, the Company had made an application to relinquish.

Note 6: Trade and other payables

	Consolidated	
	30-Jun-15 $' 000	31-Dec-14 $' 000
Accrued expenses (i)	257	298
Trade creditors (ii)	356	381
Sundry creditors (ii)	95	107
	708	786

Notes to the condensed consolidated financial statements

For the half-year ended 30 June 2015

Note 6: Trade and other payables (cont'd)

(i) Accrued expenses relate to goods and services provided to the Consolidated Group prior to the period end, but the Consolidated Group was not charged or invoiced for these goods and services by the supplier at period end. The amounts are generally payable and paid within 30 days and are non-interest bearing.

(ii) Trade and sundry creditors are non-interest bearing with the exception of amounts owed on corporate credit cards where after 30 days interest is charged at rates ranging between 15% and 18%. All trade and sundry creditors are generally payable on terms of 30 days.

Note 7: Issued capital

	30 – June 2015		31- Dec 2014	
	No ' 000	$' 000	No ' 000	$' 000
Balance brought forward	669,390	344,349	574,572	336,950
Issue of ordinary shares through renounceable rights issue	-	-	88,685	8,868
Issue of ordinary shares as consideration for rights issue costs	-	-	3,302	331
Issue of ordinary shares as consideration for share based payments	-	-	2,806	1,081
Issue of shares in lieu of costs of Long State facility	5,034	408	-	-
Shares issued for the acquisition of royalty	13,690	780	-	-
Issue of shares placed under Long State Equity placement facility	12,450	950	-	-
Issue of ordinary shares as a result of exercised options:				
$0.20 exercise price options	1	-	-	-
$0.60 exercise price options	-	-	25	15
Less costs associated with shares issued	-	(235)	-	(2,896)
Balance at end of financial year	700,565	346,252	669,390	344,349

Note 8: Expenditure commitments

Exploration commitments: The Consolidated Group holds three exploration licenses for which it has exploration commitments. The Consolidated Group's primary license, which covers the Kvanefjeld Project, is EL 2010/02 located in southern Greenland. The exploration commitment on EL 2010/02 is approximately $762,000, for the year ending 31 December 2015. Expenditure incurred to date in 2015 and expenditure credit brought forward from prior years, will be sufficient to keep the license in good standing until 31 December 2017.

Exploration licenses, 2011/26 and 2011/27 each have a minimal expenditure commitment of approximately $170,000 for the year ending 31 December 2015, with credits being sufficient to keep the license in good standing until 31 December 2017.

The Consolidated Group has applied to relinquish exploration license 2013/05 and thereby eliminating the requirement to incur additional expenditure. This license area is un-related to the Kvanefjeld project.

Notes to the condensed consolidated financial statements
For the half-year ended 30 June 2015

Note 9: Subsequent events to balance date

On the 9 September 2015, the Company announced details of a partially underwritten non-renounceable rights issue, enabling existing shareholders to apply for 1 new share at $0.035 per share for every 4 shares held at the record date. Shareholders will also receive 1 free option with an exercise price of $0.08 with every new share.

It is anticipated the rights issue will result in the issue of 175,491,368 new shares and raise $6,142,198 before taking into account issue costs. The closing date for acceptances under the rights issue will be 29 September 2015.

There has not been any other matter or circumstance occurring subsequent to the financial period that has significantly affected, or may significantly affect, the operations of the consolidated group, the results of those operations, or the state of affairs of the Consolidated Group in future years.

Note 10: Dividends

No Dividends have been paid or proposed during the half-year ended 30 June 2015.