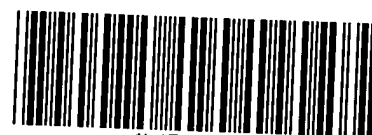


**Melville Bay Ltd**  
**(formerly NAMA Greenland Limited)**

Registered Number: 07291586

**Financial Statements**  
**for the year to 30 November 2014**

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# Melville Bay Ltd

## Financial Statements for the year to 30 November 2014

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# Melville Bay Ltd

## Company Information

Registered Number: 07291586

Previous Name: NAMA Greenland Ltd  
Date of change: 10 March 2014

## Registered Office

55 Gower Street  
London  
WC1E 6HQ

## Directors

A.R.M. Bell  
V.T. Vilhjalmsen  
Lord E.T. Razzall  
P.M.P. Newman  
S.C. Kaintz (appointed 10<sup>th</sup> March 2014)

## Secretary

N. Bird

# Melville Bay Ltd

## Directors' report for the year to 30 November 2014

The Directors present their report and financial statements for the year ended 30 November 2014.

### Principal activity

Melville Bay Ltd ("the Company") is engaged in mining exploration and development in Greenland. The Company's objective is to create shareholder value by establishing and declaring mineral resources, in compliance with recognised standards within the Mining industry.

### Review of business and future developments

Over two short exploration seasons in 2011 and 2012, the Company progressed its Melville Bugt iron ore project from greenfield to a JORC Inferred Mineral Resource Estimate of 67Mt magnetite at 31.4% Fe. Additional potential has been recognised for Direct Shipping Ore (DSO), with samples collected on surface and in drill core with grades over 60% Fe. Exploration targets have been identified with up to 200Mt of DSO haematite and up to 1Bt of magnetite style iron ore. The Company was in discussion with potential farm-in partners in 2012 and 2013 but these did not finalise. The iron ore price fell by over 45% in the year under review. As a result, the Directors impaired the asset at 30 November 2014 by 30%. There was no active exploration in 2013 or 2014 and there are no plans for active exploration in 2015.

### Results and dividends

The trading results for the year and the Company's financial position at the 30 November 2014 are shown in the attached financial statements.

The Directors do not recommend the payment of a dividend.

### Directors and their interests

The Directors who held office during the period to date are given below:

Andrew Bell  
Vilhjalmur Vilhjalmsson  
Lord Timothy Razzall  
Patrick Newman  
Scott Kaintz (appointed 10<sup>th</sup> March 2014)

No Director has a direct shareholding in the Company. Patrick Newman indirectly holds 10% of the Company through International Media Projects Ltd, a company 100% owned by him.

### Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered Office

55 Gower Street  
London  
WC1E 6HQ

Signed by order of the Board



Andrew Bell  
Managing Director

26 August 2015

# Melville Bay Ltd

## Profit and loss statement for the year to 30 November 2014

	Note	Year ended 30 November 2014 £	Year ended 30 November 2013 £
Total costs		1,900	3,000
Impairment of intangible asset		1,740,707	-
Operating loss before taxation	2	1,742,607	3,000
Taxation		-	-
Loss for the financial year		1,742,607	3,000

The accompanying notes on pages 5 to 7 form part of these financial statements.

# Melville Bay Ltd

## Balance sheet as at 30 November 2014

	Note	£	2014 £	£	2013 £
<b>Assets</b>					
Exploration assets	5		4,061,650		5,752,716
Non-current assets			<u>4,061,650</u>		<u>5,752,716</u>
<b>Current assets</b>					
Debtors & prepaid expenses	6	45,188		90,017	
Creditors- amounts falling due within one year	7	<u>150,768</u>		<u>144,056</u>	
Net current assets (liabilities)			(105,580)		(54,039)
Net assets			<u>3,956,070</u>		<u>5,698,677</u>
<b>Capital and reserves</b>					
Called-up share capital	8		25,000		25,000
Share premium			5,690,492		5,690,492
Retained earnings (Accumulated deficit)	9		<u>(1,759,422)</u>		<u>(16,815)</u>
Shareholders' funds			<u>3,956,070</u>		<u>5,698,677</u>

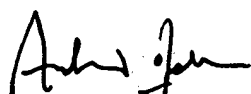
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the period ending 30 November 2014 by virtue of section 477 relating to small companies and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller entities (effective April 2008).

The financial statements were approved by the directors and authorised for issue on 26 August 2015, and are signed on their behalf by:



Andrew Bell  
Managing Director  
26 August 2015

Registered Number: 07291586

The accompanying notes form part of these financial statements.

# Melville Bay Ltd

## Notes to the financial statements for the year 30 November 2014

### 1 Principal accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Company's principle accounting policies are set out below;

#### Going concern

The financial statements have been prepared on the going concern basis. The Company's activities are funded by NAMA Resources Plc, Red Rock Resources Plc and International Media Projects Ltd in proportion to their relevant interests in the Company under a Joint Venture Agreement. There are no plans for active exploration in 2015. The directors are of the view that the Company will be able to meet its liabilities as they fall due in the foreseeable future.

#### Capitalisation of exploration costs as an intangible asset

The Directors have classified the exploration expenditure undertaken in the year as an intangible exploration asset under the terms of IFRS 6. As such the asset is shown at cost.

#### Exploration Assets

Exploration assets comprise exploration and development costs incurred on prospects at an exploratory stage. These costs include the cost of acquisition and geological exploration, including costs of drilling, surveys, and administrative overheads directly associated with the projects. These costs are carried forward in the Company's financial statement as non-current intangible assets less provision for identified impairments.

#### Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All such foreign exchange differences are taken to the profit and loss account in the period in which they arise.

### 2 Operating loss

Operating loss is stated after charging

	2014 £	2013 £
Administration costs	1,900	3,000
Impairment of intangible asset	1,740,707	-

### 3 Directors' emoluments

No emoluments were paid to the directors during the period.

### 4 Employee information

The Company had no employees during the year.

# Melville Bay Ltd

## 5 Exploration Assets

The Directors have classified the exploration expenditure undertaken during the period as an intangible asset. As required under IFRS6 the Directors have carried out an impairment review at the end of the period resulting in the charge as below. The benefit of this asset may not be fully realised within twelve months.

	2014 £	2013 £
Cost		
At 30 November 2013	5,759,017	5,729,408
Additions during the year	49,641	29,609
At 30 November 2014	<u>5,808,658</u>	<u>5,759,017</u>
Impairment		
At 30 November 2013	6,301	6,301
Recognised in the year	1,740,707	-
At 30 November 2014	<u>1,747,008</u>	<u>6,301</u>
Net book amount	<u>4,061,650</u>	<u>5,752,716</u>

## 6 Debtors & Prepaid expenses

	2014 £	2013 £
Amount due from related parties	45,188	90,017
	<u>45,188</u>	<u>90,017</u>

## 7 Creditors – Amounts falling due within one year

	2014 £	2013 £
Professional fees	10,050	9,500
Greenland taxes	67,026	96,962
Amounts due to related parties	73,692	37,594
	<u>150,768</u>	<u>144,056</u>

# Melville Bay Ltd

## 8 Called-up share capital

	30 November 2014 £	30 November 2013 £
Authorised and Issued Share Capital 2,500,000 (2013: 2,500,000) Ordinary shares at 1p each	25,000	25,000

## 9 Retained earnings (Accumulated deficit)

	2014 £	2013 £
Balance at 1 December 2013	(16,815)	(13,815)
Loss for the year	(1,742,607)	(3,000)
Balance at 30 November 2014	<u>(1,759,422)</u>	<u>(16,815)</u>

## 10 Holding Company

At the year end, Red Rock Resources Plc held a 60% equity interest in the Company, NAMA Resources Plc held a 30% equity interest and International Media Projects Ltd held a 10% equity interest.

## 11 Capital commitments

The Company had no capital commitments at 30 November 2014.

## 12 Contingent liabilities

The Company may have to provide up to DKK 3million financial security to be held in an escrow account as licensee of exploration licence 2011/25 in Melville, North East Greenland. The Mineral Licence and Safety Authority ("MLSA") in Greenland requests exploration licence holders to provide security for the fulfilment of all obligations connected to restoration of the licence area upon termination of activities such as removal of installations, buildings, stored items and others, except where non-removal of these installations has been approved by the MLSA. If the licensee is in breach of its obligations, the amount held in escrow will be paid fully or partially to the MLSA.

# Melville Bay Ltd

## Detailed Profit and loss statement for the year to 30 November 2014

	Year ended 30 November 2014 £	Year ended 30 November 2013 £
Accountancy and tax	900	1,000
Administrative costs	1,000	2,000
Impairment of intangible asset	1,740,707	-
Operating loss before taxation	1,742,607	3,000