# GREENLAND RESOURCES INC.

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

## FOR THE NINE MONTHS ENDED DECEMBER 31, 2023 and 2022

(Expressed in Canadian dollars)

**GREENLAND RESOURCES INC.**

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**FOR THE NINE MONTHS ENDED DECEMBER 31, 2023 and 2022**

**(Expressed in Canadian dollars)**

## GREENLAND RESOURCES INC.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed consolidated interim financial statements of Greenland Resources Inc. (the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed consolidated interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed consolidated interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed consolidated interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence in that (i) the unaudited condensed consolidated interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed consolidated interim financial statements and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed consolidated interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed consolidated interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed consolidated interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

### NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed consolidated interim consolidated financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed consolidated interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

(Expressed in Canadian dollars)

| | December 31, 2023 $ | March 31, 2023 $ |
|---|---|---|
| **ASSETS** | | |
| **CURRENT** | | |
| Cash | 4,770,241 | 3,282,313 |
| Advances (Note 4) | 193,446 | 192,063 |
| Sales tax and other receivables | 111,556 | 210,516 |
| Prepaid expenses and deposits | 22,983 | 16,254 |
| **TOTAL CURRENT ASSETS** | **5,098,226** | **3,701,146** |
| **TOTAL ASSETS** | **5,098,226** | **3,701,146** |
| **LIABILITIES** | | |
| **CURRENT** | | |
| Accounts payable and accrued liabilities | 239,115 | 160,184 |
| **TOTAL LIABILITIES** | **239,115** | **160,184** |
| **SHAREHOLDERS' EQUITY** | | |
| **CAPITAL STOCK** (Note 5) | 24,495,349 | 18,755,289 |
| **WARRANT RESERVE** (Note 5) | 547,674 | 1,881,442 |
| **STOCK OPTION RESERVE** (Note 5) | 1,995,804 | 1,323,919 |
| **DEFICIT** | (22,179,716) | (18,419,688) |
| **TOTAL SHAREHOLDERS' EQUITY** | **4,859,111** | **3,540,962** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **5,098,226** | **3,701,146** |

**NATURE OF OPERATIONS AND GOING CONCERN** (Note 1)

APPROVED ON BEHALF OF THE BOARD:

Signed *"Ruben Shiffman"* , Director

Signed *"James Steel"* , Director

**GREENLAND RESOURCES INC.**
**CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**
**FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31**
(Expressed in Canadian dollars)

| | 3 MONTHS | | 9 MONTHS | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **$** | **$** | **$** | **$** |
| **EXPENSES** | | | | |
| Consulting (Note 3) | 646,172 | 224,437 | 1,905,354 | 1,099,905 |
| Exploration expenses (Note 5) | 537,594 | 318,857 | 1,416,406 | 677,018 |
| Stock-based compensation (Note 4) | 248,507 | 152,906 | 748,885 | 581,379 |
| Travel and entertainment | 62,288 | 66,224 | 267,589 | 192,494 |
| General and administration expenses | 73,901 | 87,125 | 232,562 | 272,033 |
| Investor relations | 64,875 | 25,099 | 94,167 | 112,798 |
| Accounting and legal | 15,525 | 73,654 | 52,458 | 131,663 |
| Advertising and promotion | 2,212 | 4,449 | 11,260 | 66,295 |
| Rent | 3,750 | 5,000 | 11,250 | 12,500 |
| Transfer agent fees | 1,190 | 3,315 | 5,921 | 6,865 |
| Insurance | - | 7,707 | 5,241 | 16,236 |
| Foreign exchange loss | 6,440 | 2,270 | 15,316 | 3,360 |
| **NET (LOSS) FROM CONTINUING OPERATIONS** | **(1,662,455)** | **(971,043)** | **(4,766,409)** | **(3,172,546)** |
| Interest income | 66,383 | 10,591 | 151,920 | 16,355 |
| **NET (LOSS) AND COMPREHENSIVE (LOSS)** | **(1,596,072)** | **(960,452)** | **(4,614,488)** | **(3,156,191)** |
| **NET (LOSS) PER SHARE** | | | | |
| Basic (loss) per share | (0.02) | (0.01) | (0.04) | (0.03) |
| **WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING** -basic | **104,228,520** | **99,148,094** | **104,228,520** | **99,148,094** |

See accompanying notes to the consolidated financial statements.

**GREENLAND RESOURCES INC.**
**CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**
**FOR THE NINE MONTHS ENDED DECEMBER 31**
(Expressed in Canadian dollars)

| | Common Shares # | Share Capital $ | Warrant Reserve $ | Contributed Surplus $ | Deficit $ | Total $ |
|---|---|---|---|---|---|---|
| **Balance - March 31, 2023** | 107,143,322 | 18,755,289 | 1,881,442 | 1,323,919 | (18,419,688) | 3,540,962 |
| Private placement (Note 4) | 4,225,352 | 2,984,921 | - | - | - | 2,984,921 |
| Exercise of warrants (Note 4) | 3,991,648 | 2,755,139 | (556,308) | - | - | 2,198,831 |
| Expiry of warrants (Note 4) | - | - | (777,460) | - | 777,460 | - |
| Vesting of stock options (Note 4) | - | - | - | 302,612 | - | 302,612 |
| Granting of stock options (Note 4) | - | - | - | 446,273 | - | 446,273 |
| Expiry of stock options (Note 4) | - | - | - | (77,000) | 77,000 | - |
| Net loss for the period | - | - | - | - | (4,614,488) | (4,614,488) |
| **Balance - December 31, 2023** | 115,360,322 | 24,495,349 | 547,674 | 1,995,804 | (22,179,716) | 4,859,111 |
| | | | | | | |
| **Balance - March 31, 2022** | 98,007,865 | 14,167,111 | 1,957,258 | 898,028 | (14,810,068) | 2,212,329 |
| Vesting of stock options | - | - | - | 581,379 | - | 581,379 |
| Private placement | 4,534,614 | 1,467,989 | 721,521 | | | 2,189,510 |
| Exercise of warrants | 850,000 | 625,134 | (111,384) | - | - | 513,750 |
| Net loss for the period | - | - | - | - | (3,156,191) | (3,156,191) |
| **Balance - December 31, 2022** | 103,392,479 | 16,260,234 | 2,567,395 | 1,479,407 | (17,966,259) | 2,340,777 |

See accompanying notes to the consolidated financial statements.

**GREENLAND RESOURCES INC.**
**CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**
**FOR THE NINE MONTHS ENDED DECEMBER 31**
(Expressed in Canadian dollars)

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net loss for the period | (4,614,488) | (3,156,191) |
| Adjustments for: | | |
| Stock-based compensation (Note 4) | 267,589 | 581,379 |
| | (4,346,899) | (2,574,812) |
| Changes in non-cash working capital balances: | | |
| Sales tax receivable | 98,960 | 155,425 |
| Prepaid expenses and deposits | (6,729) | 77,892 |
| Advances | (1,383) | 110,460 |
| Accounts payable and accrued liabilities | 78,931 | (143,789) |
| **Net cash (outflow) from operating activities** | (4,177,120) | (2,374,824) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from private placement (Note 4) | 2,984,921 | 2,189,510 |
| Proceeds from exercise of warrants (Note 4) | 2,198,831 | 513,750 |
| **Net cash from financing activities** | 5,183,752 | 2,703,260 |
| **Increase in cash** | 1,006,632 | 328,436 |
| **CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD** | 3,282,313 | 1,961,845 |
| **CASH AND CASH EQUIVALENTS, END OF PERIOD** | 4,288,945 | 2,290,281 |
| **COMPONENTS OF CASH AND CASH EQUIVALENTS** | | |
| Cash | 451,401 | 198,285 |
| Cash equivalents | 3,837,544 | 2,091,996 |

See accompanying notes to the consolidated financial statements.

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Greenland Resources Inc. (the “Company”) was incorporated under the laws of the Province of Ontario by articles of incorporation dated February 7, 2008. The Company is now engaged in the acquisition, exploration, and development of mineral properties in Greenland. The Company owns a 100% interest in the Malmbjerg Molybdenum Project, an exploration project located in Greenland. The Company’s registered office is at 18 King Street East, Suite 902, Toronto, Ontario M5C 1C4.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations on such properties, these procedures do not guarantee the Company's title. Property title may be adversely affected by a number of unforeseeable factors, including government licensing requirements or regulations, social and political licensing requirements, unregistered prior agreements, unregistered claims, and non-compliance with regulatory and environmental requirements.

The Company is at an early stage of exploration and as is common with many exploration companies, it raises financing for its exploration and acquisition activities. The business of exploring for minerals involves a high degree of risk and there can be no assurance that future exploration and development programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties.

The Company’s ability to continue as a going concern in the longer term is dependent upon its ability to obtain additional financing. There is no assurance that the Company will be successful in achieving these objectives. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the realization of assets and discharge of liabilities in the normal course of business.

These financial statements were approved by the Board of Directors on February 5, 2024.

## 2. BASIS OF PREPARATION

**Statement of compliance**
The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS34). Accordingly, they do not include all of the information required for full annual financial statements by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of February 5, 2024, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these consolidated financial statements

## 2. BASIS OF PREPARATION (Continued)

as in the most recent annual financial statements as at and for the year ended March 31, 2023. Any subsequent changes to IFRS that may be given effect in the Company's annual financial statements for the year ending March 31, 2024, could result in restatement of these unaudited condensed interim financial statements.

The policies have been consistently applied to all periods presented unless otherwise noted.

**Basis of measurement**
These consolidated financial statements are prepared on the historical cost basis, except for certain financial instruments that are carried at fair value. In addition, these consolidated financial statements are prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

**Principles of consolidation**
These financial statements include the accounts of the Company and its wholly owned subsidiary, Greenland Resources A/S. Intra-group balances and transactions are eliminated in preparing the condensed consolidated interim financial statements

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date such control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

## 3. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (executive and non-executive) of the Company. The following table shows the compensation paid to key management personnel.

| Principal Position | Fiscal Period (Q1-Q3) | Consulting fees (management) ($) | Stock-based compensation ($) | Consulting fees (other) ($) | Total compensation ($) |
|---|---|---|---|---|---|
| Officers | 2024 | 625,905 | 281,221 | - | 907,126 |
| | 2023 | 822,535 | - | - | 822,535 |
| Directors *(not including officers)* | 2024 | - | 132,339 | 76,416 | 208,755 |
| | 2023 | - | - | 147,699 | 147,699 |
| Totals | 2024 | 625,905 | 413,560 | 76,416 | 1,115,881 |
| | 2023 | 822,535 | - | 147,699 | 970,234 |

One officer and director of the Company held an expense advance at December 31, 2023, with a balance of $193,446 (March 31, 2023 - $192,063). This amount is unsecured, non-interest bearing and due on demand.

During the nine months ended December 31, 2023, the Company recorded rent expense of $11,250 (2022 - $12,500) paid to a company controlled by a director.

(Expressed in Canadian dollars)

## 4. CAPITAL STOCK, WARRANTS AND STOCK OPTIONS

(a) Authorized
Unlimited number of common shares with no par value

(b) Issued

| | Number of shares # | Amount $ |
|---|---|---|
| Balance, issued, March 31, 2023 | 107,143,322 | 18,755,289 |
| Private placement (i) | 4,225,352 | 2,984,921 |
| Exercise of warrants | 3,991,648 | 2,755,139 |
| Balance, issued, December 31, 2023 | 115,360,322 | 24,495,349 |

i. On July 12, 2023, the Company closed a non-brokered private placement of 4,225,352 common shares of the Company at a price of $0.71 per share for aggregate proceeds of $3,000,000.

(c) Warrants

As at December 31, 2023, the following warrants were outstanding:

| Outstanding Warrants # | Exercise Price ($ per share) | Weighted Average Remaining Contractual Life (years) | Expiry Date |
|---|---|---|---|
| 2,267,307 | 0.70 | 0.88 | November 16, 2024 |
| 158,711 | 0.52 | 0.88 | November 16, 2024 |
| 2,426,018 | | 0.88 | |

The following summarizes changes in warrants:

| | Warrants # | Grant Date Fair Value $ | Weighted Average Exercise Price $ | Weighted Average Life (years) |
|---|---|---|---|---|
| Balance, March 31, 2023 | 12,631,715 | 1,881,442 | 0.56 | 2.00 |
| Exercised | (3,991,648) | (556,308) | 0.55 | 2.00 |
| Expired | (6,214,049) | (777,460) | 0.58 | 2.00 |
| Balance, December 31, 2023 | 2,426,018 | 547,674 | 0.69 | 2.00 |

(b) Stock options

The Company has granted options for the purchase of common shares under its stock option plan dated April 28, 2015, for employees, officers, directors and consultants of the Company. The options are non-assignable and may be granted for a term not exceeding five years. The exercise price of the options is fixed by the Board of Directors of the Company at the time of grant, not to be less than the market price of the common shares and subject to all applicable regulatory requirements.

(Expressed in Canadian dollars)

## 4. CAPITAL STOCK, WARRANTS AND STOCK OPTIONS (Continued)

As at December 31, 2023, the following stock options were outstanding:

| Outstanding Options # | Exercisable Options # | Exercise Price ($ per share) | Weighted Average Remaining Contractual Life (years) | Expiry Date |
|---|---|---|---|---|
| 1,800,000 | 1,800,000 | 0.20 | 0.04 | January 15, 2024 |
| 3,500,000 | 3,500,000 | 0.20 | 2.01 | January 1, 2026 |
| 1,250,000 | 1,250,000 | 0.80 | 3.42 | June 1, 2027 |
| 2,100,000 | 700,000 | 0.80 | 4.63 | August 17, 2028 |
| 8,650,000 | 7,250,000 | 0.43 | 2.44 | |

The following summarizes changes in stock options:

| | Options # | Grant Date Fair Value $ | Exercise Price $ |
|---|---|---|---|
| Balance, March 31, 2023 | 7,250,000 | 1,323,919 | 0.28 |
| Expired | (700,000) | (77,000) | 0.20 |
| Vested (i) | - | 54,105 | 0.80 |
| Granted (ii) | 2,100,000 | 694,780 | 0.80 |
| Balance, December 31, 2023 | 8,650,000 | 1,995,804 | 0.31 |

i. On June 1, 2022, the Company granted 1,250,000 stock options to advisors of the Company with an exercise price of $0.80 per option. The options expire five years from the grant date, on June 1, 2027. The options vest as to 33% immediately on granting, 33% on December 31, 2022, and the remaining 34% on June 30, 2023. The grant date fair value was estimated using the Black Scholes pricing model with the following assumptions: current stock price of $0.72, expected dividend yield of 0%, expected volatility of 105%, risk free rate of 2.86% and expected life of 5 years. Volatility was based on the historical volatility of the Company. The grant date fair value of the options granted was estimated to be $688,995, of which $54,105 was recognized in the current period and allocated to stock-based compensation.

ii. On August 17, 2023, the Company granted 2,100,000 stock options to officers, directors, and advisors of the Company with an exercise price of $0.80 per option. The options expire five years from the grant date, on August 17, 2028. The options vest as to 33% immediately on granting, 33% on February 17, 2024, and the remaining 34% on August 17, 2024. The grant date fair value was estimated using the Black Scholes pricing model with the following assumptions: current stock price of $0.68, expected dividend yield of 0%, expected volatility of 90%, risk free rate of 4.13% and expected life of 5 years. Volatility was based on the historical volatility of the Company. The grant date fair value of the options granted was estimated to be $992,186, of which $694,780 was recognized in the current period and allocated to stock-based compensation.

(Expressed in Canadian dollars)

## 5. EXPLORATION AND EVALUATION PROPERTIES

The Company has the following licence in Greenland.

License 2018/11, referred to as the Malmbjerg Molybdenum Project, was acquired by the Company in December 2017 and was originally valid until December 31, 2022, as long as minimum annual work requirements were met. Due to COVID-19, the minimum exploration requirements for 2020 and 2021 (years 3 and 4) were waived and both years have been taken out of the licence period, thereby extending the licence period by two years.

After Year 5 the Company has the option to extend the license for a further five years from December 31, 2024. By the end of the year ended March 31, 2020, the Company's expenditures on engineering studies of Malmbjerg had exceeded the minimum annual required renewal amounts through the end of Year 5.

Malmbjerg Molybdenum Project

Exploration and evaluation expenditures for the Malmbjerg Molybdenum property during the nine months ended December 31, 2023, totalled $1,416,406 (2022 - $677,018) and are summarized in the following table:

| | **Nine months ended December 31** | |
|---|---|---|
| | **2023** **$** | **2022** **$** |
| License fees, tenure | 46,042 | 7,143 |
| Consulting, deposit studies | 1,097,295 | 633,472 |
| Supplies and services | 19,292 | 1,847 |
| Travel, helicopter, vessels, and accommodations | 253,777 | 34,556 |
| Communications and data | - | - |
| | 1,416,406 | 677,018 |

## 6. FINANCIAL INSTRUMENTS

**Fair Value**

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the reporting date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The carrying values of cash, advances, sundry receivables and accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

**Risk Factors**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous period.

Liquidity Risk:

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2023, the Company had a cash and cash equivalents balance of $4,770,241 (March 31, 2023 - $3,282,313) to settle current liabilities of $239,115 (March 31, 2023 - $160,184).

All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

## 6. FINANCIAL INSTRUMENTS (Continued)

### Risk Factors (Continued)

Interest Rate Risk:

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in money market funds and investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Credit Risk:

The Company's credit risk is primarily attributable to sundry receivables and expense advances. Included in sundry receivables is sales tax due from the Federal Government of Canada. From time to time the Company makes advances to certain of its personnel and suppliers to expedite work that requires them lay out funds for significant expenses that are reimbursable. These funds are either accounted for with receipts or returned. At December 31, 2023, $193,446 (March 31, 2023 - $192,063) of advances to an officer and director were outstanding. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to these financial instruments included in sundry receivables and advances is remote.

Foreign Exchange Risk:

The Company's functional and reporting currency is the Canadian dollar and purchases of goods and services have generally been transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses on a cash basis in Danish Krone (DKK) or other currencies converted from its Canadian dollar bank accounts held in Canada. Management believes the foreign exchange risk derived from currency conversions is, for the foreseeable future, negligible and therefore does not hedge its foreign exchange risk. As at December 31, 2023, the Company’s cash balances were all held in Canadian dollars. From time to time, certain suppliers to the Company’s exploration program require deposits or advances that are denominated in DKK or USD. Historically the deposit amounts were all applied against bills, or refunded if unused, over relatively short time frames which made the exchange fluctuation effects immaterial in these stable currencies.

Price Risk:

Prices of goods and services consumed in the course of the Company’s activity can fluctuate in response to supply and demand and are often driven by industry cycles. Fluctuations in commodity prices may influence financial markets and may indirectly affect the Company’s ability to raise capital to fund exploration. If they vary materially from forecasts made when budgets are set it could affect the ability of the Company to complete work programs. Generally, the Company’s planning time horizons are short enough that this does not present a significant risk.

Sensitivity Analysis:

Sensitivity to a 1 percentage point change in interest rates, based on the balance of cash as at December 31, 2023, would result in a change in interest income of approximately $47,702 (March 31, 2023 - $32,823) if held over a twelve-month period.

## 7. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of capital stock, warrant and stock option reserves and accumulated deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to fund its exploration activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The projects in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration programs and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the nine months ended December 31, 2023, or the year ended March 31, 2023.

## 8. COMMITMENTS AND CONTINGENCIES

The Company's exploration and evaluation activities are subject to various international and federal laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive and thus more difficult to comply with. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. Under the mining law of Greenland certain levels of expenditure are required to have been incurred in order to renew licenses annually, and the Company intends to continue to meet those requirements at Malmbjerg. (See Note 5)

## 9. SEGMENTED INFORMATION

The Company's operations consist of the acquisition, exploration and development of mineral properties. During the nine months ended December 31, 2023, and the year ended March 31, 2023, substantially all of the Company's assets and operations related to the acquisition, exploration and development of resource properties were held in Canada. All of its exploration properties were located in Greenland.