



**GREENLAND RESOURCES INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE NINE MONTHS ENDED**

**DECEMBER 31, 2022**



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This Management Discussion and Analysis ("MD&A") is made as of February 13, 2023 and should be read in conjunction with the condensed consolidated interim financial statements of Greenland Resources Inc. (the "Corporation") for the nine months ended December 31, 2022 and 2021 (the "quarter" or "period") and the related notes. The Corporation's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars (\$) or CAD). The Corporation reports its financial position, results of operations and cash-flows in accordance with International Financial Reporting Standards ("IFRS").

For further details, please refer to the Corporation's web site ([www.greenlandresources.ca](http://www.greenlandresources.ca)) as well as its Canadian regulatory filings on SEDAR at [www.sedar.com](http://www.sedar.com).

Except for statements of historical fact relating to the Corporation, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements regarding the results of the Definitive Feasibility Study (as defined hereinafter); statements with respect to the production profiles and life of mine estimations on the Corporation's properties, construction and payback periods, NPV, IRR, capital costs, contingency, operating costs, sustaining costs, free cash flows, mineral proven and probable reserves, measured and indicated ("M&I") resources, open pit ore and waste extraction, mill feed, milling process and recovery, power supply arrangements, power consumption, and closure costs, and other statements regarding the cost and timing of future development; the future prices of base and precious metals; conclusions of economic evaluations; requirements for additional capital; and other statements relating to the financial and business prospects of the Corporation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: changes to commodity prices and the economic conditions more broadly; unexpected events and delays during permitting; the possibility that future results will not be consistent with the Corporation's expectations or the results of the Definitive Feasibility Study; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; future prices of precious metals; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in precious metals exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments.

In addition, but without limitation, there can be no assurance that the Definitive Feasibility Study results will prove to be accurate as actual results and future events can differ materially from those anticipated in the Definitive Feasibility Study. Particularly, but without limitation, there can be no assurance that:

- All permits necessary to bring the Malmbjerg Molybdenum Project (as hereinafter defined) into commercial production will be obtained or renewed, as applicable, in a timely fashion or at all;
- The price of Molybdenum and its substitutes, the inflationary context, and other economic factors serving as the basis of the Definitive Feasibility Study will remain conducive to bringing the Malmbjerg Molybdenum Project into commercial production;
- Budgetary quotes, as well as the Malmbjerg Molybdenum Project's economics (IRR, NPV, AISC, etc.) as set out in the Definitive Feasibility Study will prove accurate;

- The eventual mine production will prove consistent with the mineral reserves and M&I resources set out in the Definitive Feasibility Study;
- The business conditions in Greenland, Canada, and other jurisdictions pertinent to the Corporation's operations will remain favourable for developing the Malmbjerg Molybdenum Project; and
- The Corporation will bring the Malmbjerg Molybdenum Project into commercial production and that it will acquire any other significant metal assets.

Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

## **QUALIFIED PERSON**

Mr. Jim Steel BSc, MBA, P.Geo., a director of the Corporation and a Qualified Person under National Instrument 43-101, has reviewed and approved the technical disclosure in this MD&A.

## **DESCRIPTION OF THE BUSINESS**

The Corporation is a Canadian resource company presently focused on the acquisition, exploration and development of mineral projects. Its main focus is on its Malmbjerg Molybdenum Project in eastern Greenland.

The Corporation is a reporting issuer in the Province of Ontario. The common shares of the Corporation trade on the NEO Exchange under the symbol "MOLY", and on the Frankfurt Stock Exchange under the symbol "MOLY". As at the date of this MD&A, the Corporation had 105,813,603 common shares issued and outstanding and 22,030,525 shares reserved for issuance pursuant to non-assignable investors' and agents' warrants (12,880,525 shares if exchanged) and stock options (9,150,000 shares if exchanged). See "Capital Stock".

The Corporation holds a 100% interest in an exploration licence in Greenland issued by the Greenland Mineral License and Safety Agency. License 2018/11 covers an 82 square kilometer area north of Scoresby Sund in eastern Greenland that includes the Malmbjerg molybdenum deposit.

As is standard for a mineral exploration company, the success of the Corporation's exploration and development efforts cannot be assured. It has no current sources of revenue other than interest earned on cash and short-term money market instruments derived from previous financings. An investment in the securities of the Corporation is highly speculative and involves numerous and significant risks, and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described in the section entitled "Risks and Uncertainties" below.

Under its February 8, 2008 agreement with The Hospital for Sick Children ("HSC") (which was brokered when the Corporation had biomedical research as its primary business) the Corporation is entitled to 10% of net proceeds received by HSC from any future commercialization agreements pertaining to intellectual property derived from experimental work it funded on brain tumour animal models using the best of HSC's previously identified and potentially effective drugs in order to bring them to clinical trial for human brain tumour patients. The Corporation has no further obligations with respect to the HSC agreement but continues to follow the progress of the Project.

## **PROJECTS**

### Malmbjerg Molybdenum Project

The Malmbjerg Molybdenum Project is a Climax-type porphyry molybdenum deposit located close to tidewater in central-east Greenland. The deposit is located within an 11 square kilometer exploration license issued to Greenland Resources Inc. that was expanded to 82 square kilometers in April 2019. The deposit and surrounding area have been explored and studied extensively since the 1950s by a variety of owners through diamond drilling and underground

exploration. In 2007, the Malmbjerg Molybdenum Project was acquired by a Canadian public company which carried out development studies and permitting, including feasibility studies and an NI 43-101 Technical Report that included resource estimates. The project currently benefits from a 2022 Definitive Feasibility Study by Tetratech prepared in accordance with National Instrument 43-101. The full text of the Definitive Feasibility Study, including its key conclusions and estimates, may be found on the Corporation's website or under its SEDAR profile on [www.sedar.com](http://www.sedar.com).

## TRENDS

The Corporation is a natural resource company headquartered in Canada, focused on exploring and developing its current precious and base metal property interests. The Corporation's future financial success will be dependent on management's successful development of the Malmbjerg Molybdenum Project or the acquisition and successful development of one or more other projects. The development of the project could take years to complete, and the resulting income, if any, is difficult to predict with certainty. To date, the Corporation has not produced any revenues.

There are significant uncertainties regarding the prices of metals and the availability of equity financing for the purposes of exploration and development. The future performance of the Corporation is largely tied to the outcome of its exploration activities, the development of its property interests and other prospective business opportunities, and the overall financial markets. Financial markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy and global growth prospects. Uncertainty in the financial markets has also led to increased difficulties in raising funds for junior exploration companies. Companies worldwide have been affected particularly negatively by these trends. As a result, the Corporation may have difficulties raising equity financing for the purposes of mineral exploration and development without significantly diluting the interests of existing shareholders. These trends may limit the ability of the Corporation to discover and develop its current mineral exploration property and any other property interests that may be acquired in the future. See "Risks and Uncertainties" and "Cautionary Note Regarding Forward-Looking Information".

## OVERALL PERFORMANCE

The Corporation's exploration and development activities are generally at an early stage, and Corporation has no current sources of revenue other than interest earned on cash derived from prior financings. The Corporation's Malmbjerg Molybdenum Project benefits from mineral resource and mineral reserve estimates as set out in the Definitive Feasibility Study completed in 2022.

### Malmbjerg Molybdenum Project activities

The Malmbjerg Molybdenum Project is a Climax-type pure molybdenum mineral deposit located close to tidewater near Mestersvig airport in central-east Greenland. The Malmbjerg molybdenum deposit has Mineral Reserves of 245 million tonnes at 0.176% MoS<sub>2</sub>, for 571 million pounds of contained molybdenum metal (Tetra Tech, 2021). The Malmbjerg Molybdenum Project benefits from a 2008 Feasibility Study completed by Wardrop (now Tetra Tech), an Environmental and Social Impact Assessment (SRK, 2007), an engineering optimization Concept Study (DRA, 2019) and had a previous exploitation license granted in 2009.

During 2018 the Corporation conducted a Phase I Malmbjerg Molybdenum Project Optimization study aimed to improve economics vs the historic Malmbjerg Molybdenum Project feasibility study conducted by Wardrop (now Tetra Tech) in 2008. The successful results were incorporated in a Concept Study (DRA, 2018) and an updated Mineral Resource estimate (RPA, 2018). The Concept Study proposed an open-pit operation to exploit a pit-constrained mineral resource and an ore transportation tunnel and road combination to processing infrastructure located on barges positioned in an enclosed bay off King Oscar Fjord so as to minimize capex and the environmental effects of project development.

On April 30, 2019, the Greenland Mineral License and Safety Authority granted an enlargement to the Corporation's 100% owned mineral license MER 2018/11. The size of the Malmbjerg Molybdenum Project has thus increased from the original 11km<sup>2</sup> (where the Molybdenum deposit open pit is located within this original 11km<sup>2</sup> area) to 82km<sup>2</sup>. The license enlargement covers the lands where the production and access tunnel were planned. The tunnel would allow hydraulic transport of ore from the mine via a surface pipeline to the milling facility located on barges at tidewater.

In August 2, 2019, the Corporation engaged Golder Associates A/S in Denmark in cooperation with Inuplan A/S in Greenland, to update the Environmental Impact Assessment and Social Impact Assessment for its 100% owned Malmbjerg Molybdenum project in Greenland. The Corporation expects that a considerable amount of the extensive

previous environmental and social baseline data will be applicable for the submission that aims to obtain a new exploitation permit.

As part of the process to obtain an exploitation license, during October 2 to 4, 2019, the Corporation conducted a series of community meetings in Ittoqqortoormiit, Greenland to provide residents an update on the Malmbjerg Molybdenum Project. The presentation was in Danish supported by a local Greenlandic translator and hard copies were distributed in Greenlandic.

On December 9, 2019, the Corporation filed with the Greenland Minerals Authority (“GMA”) the Scoping documents and Terms of Reference (“ToR”) for the Environmental Impact Assessment (“EIA”) and for the Social Impact Assessment (“SIA”), in accordance with guidelines published by GMA. Both the EIA and SIA are key documents required to obtain an exploitation license in Greenland. The ToR was prepared by Golder Associates A/S in Denmark in cooperation with Inuplan A/S in Greenland.

On February 13, 2020, the Greenland Mineral Authority provided comments on the ToR EIA and the SIA and the Corporation addressed them.

During May 2021, the Corporation completed the sale of 100% of the outstanding shares of the Corporation’s wholly-owned subsidiary, Copenhagen Minerals Inc., which owns the Storø Gold project, to Greenhawk Resources Inc. with the aim to create value to Greenland Resources shareholders and focus on its flagship world class Malmbjerg molybdenum project in east central Greenland.

In May 2021 as part of the exploitation license requirements, the Corporation incorporated a new wholly-owned Greenlandic subsidiary called Greenland Resources A/S and initiated the transfer to this new subsidiary of the mineral license 2018/11 that holds the Malmbjerg Molybdenum Project.

During the 2021 calendar year the Corporation worked with various world-class consultants most of whom were part of the 2008 Feasibility Study and completed a successful summer field program during the month of August 2021. The program consisted of environmental, geophysical, geotechnical, engineering, seismic, bathymetric, navigational, and other studies, as described more fully in the Corporation’s press release dated September 15, 2021.

In October 2021 the Corporation announced that TetraTech Canada Inc. had prepared an independent Mineral Resource estimate of 281 million tonnes grading 0.18% MoS<sub>2</sub> resulting in 661 million pounds of molybdenum metal in the Measured and Indicated Resource categories at the Corporation’s 100% owned Malmbjerg Molybdenum Project.

Due to COVID-19, the minimum exploration requirements for 2020 and 2021 (years 3 and 4) were waived by the Government of Greenland and both years have been taken out of the licence period, thereby extending the licence period by two years. Additionally, the minimum exploration requirements for 2022 have been reduced by 50% by the Government of Greenland. After Year 5 the Corporation 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 Corporation’s expenditures on engineering studies of Malmbjerg had already exceeded the minimum annual required renewal amounts through the end of Year 5.

Molybdenum is a metal, used mainly in steel and chemicals, which is needed in all technologies in the upcoming green energy transition (World Bank, 2020; IEA, 2021). When added to steel and cast iron, it enhances strength, hardenability, weldability, toughness, temperature strength, and corrosion resistance. Based on data from the International Molybdenum Association and the European Commission Steel Report, the world produced around 546 million pounds of molybdenum in 2020 where the European Union (“EU”), as the second largest steel producer in the world, used approximately 25% of global molybdenum supply and has no domestic molybdenum production. To a greater degree, the EU steel-dependent industries like automotive, construction, and engineering, represent around 18% of the EU’s ≈ US\$16 trillion GDP. Greenland Resources’ Malmbjerg molybdenum project has the potential to supply in and for the EU for decades to come approximately 25 million pounds per year of environmentally friendly molybdenum from a responsible EU Associate member country.

In May 2020, the World Bank Group published its “Report on Minerals for Climate Action: The Mineral Intensity of the Clean Energy Transition”, naming molybdenum as a cross-cutting critical mineral that will be used in all green energy transitions. In this Report, the World Bank estimates a 119% demand increase for molybdenum from electricity generation technologies through 2050.

In May 2021, International Energy Agency published its report, “The Role of Critical Minerals in Clean Energy Transition”, naming molybdenum as a mineral that will be used in clean energy technologies. The report estimates a 290% demand increase for molybdenum through 2040 under SDS scenario for renewables.

In September 2021, the Corporation announced that its common shares had commenced trading on the Canadian NEO Exchange.

In April 2022, the Corporation announced the filing of a definitive feasibility study (the “**Definitive Feasibility Study**”) on the Malmbjerg Molybdenum Project prepared by Tetra Tech Canada with Mineral Reserves of 245 million tonnes at 0.176% MoS<sub>2</sub>, for 571 million pounds of contained molybdenum metal. The results of the Definitive Feasibility Study were announced in February 2022, and investors are advised to review the full text of the Definitive Feasibility Study as posted on the Corporation’s website or under its SEDAR profile.

On June 13, 2022, the European Raw Materials Alliance (ERMA), a body of the European Union whose main objectives are to reduce European dependency on strategic and critical raw materials from outside Europe and promote environmental, social and governance standards, announced that it will support the Corporation in securing finance for the Malmbjerg Molybdenum Project and strengthening relationships with downstream molybdenum users in the EU industry ecosystem. Currently, Europe is the second-largest global molybdenum user but has no production of its own. The Malmbjerg Molybdenum Project will change that.

On July 14, 2022, the Corporation announced a sponsorship agreement with the Kommuneqarfik Sermersooq municipality aimed at helping the local community of Ittoqqortoormiit, the only nearby settlement located 190 km to the southeast of the Malmbjerg Molybdenum Project. Ittoqqortoormiit has 354 inhabitants and was established in 1924.

On October 7, 2022 the Corporation announced that the Government of Greenland, as per the recommendation of the Ministry of Mineral Resources (MMR) and the Environmental Agency for Mineral Resource Activities (EAMRA), approved the Terms of Reference (ToR) for the Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA), which constitute the first of two Government approvals needed to obtain an exploitation license for the Malmbjerg Molybdenum Project in Greenland.

On January 3, 2023, the Company announced that it had submitted to the Government of Greenland the Social Impact Assessment for the Malmbjerg Molybdenum Project.

Later in January 2023, the Company announced that it received a non-binding letter of intent for long term molybdenum supply from the Danish company Topsoe A/S and that it signed a non-binding memorandum of understanding for long term molybdenum supply with the Swedish company Scandinavian Steel AB.

Exploration and evaluation expenses for the Malmbjerg Molybdenum Project in the current quarter were related to the resource estimate and the concept studies described above. These expenses and those from the project’s preceding two years are summarized in the following table:

	<b>Nine months ended December 31, 2022</b>	<b>Twelve months ended March 31, 2022</b>	<b>Twelve months ended March 31, 2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
License fees, tenure	7,143	25,538	6,364
Consulting, deposit studies	633,472	3,810,322	72,075
Travel, helicopter, vessels, and accommodations	34,556	872,849	-
Communications and data	-	51,349	-
Supplies and services	1,847	168,764	320
	<u>677,018</u>	<u>4,928,822</u>	<u>78,759</u>

#### Other exploration (project generation)

No outside exploration (project generation) expenses were incurred in the nine months ended December 31, 2022.

#### Sale of discontinued operation

On May 28, 2021, the Corporation completed the sale to Greenhawk Resources Inc. (“Greenhawk”, formerly Cryptologic Corp.) of 100% of the outstanding shares of the Corporation’s wholly-owned subsidiary, Copenhagen Minerals Inc., which owns the Storø Gold Project and associated exploration and prospecting licences located in

southwest Greenland.

## SELECTED FINANCIAL INFORMATION

The following selected annual financial data for the years ended March 31, 2022, 2021, and 2020 comes from the Statements of Loss and Comprehensive Loss in the audited financial statements for years ended March 31, 2022, 2021, and 2020.

Years ended March 31,	2022 \$	2021 \$	2020 \$
Revenues	-	-	-
Interest income	(10,643)	(29)	(131)
Operating expenses	(7,210,021)	(1,194,081)	(1,065,729)
Unrealized (loss)/gain on investments	-	-	(600,000)
Loss from operations	(7,199,378)	(1,194,052)	(1,665,598)
Loss from discontinued operations	-	(220,537)	(66,424)
Loss on sale of financial assets at fair value through profit or loss	(4,290,000)	-	-
Gain on sale of subsidiary	5,530,000	-	-
Net and Comprehensive Loss	(5,959,378)	(1,414,589)	(1,732,022)
Loss per share – basic and diluted	(0.06)	(0.02)	(0.02)

The following selected annual financial data at March 31, 2022 and 2021 comes from the Statements of Financial Position in the audited annual financial statements for the annual periods ended March 31, 2021 and 2020.

	As at March 31, 2022 \$	As at March 31, 2021 \$
Total assets	2,588,711	8,191,759
Total non-current liabilities	-	-
Distributions or cash dividends	-	-

The net loss for the year ended March 31, 2022, predominantly represented costs of the Summer 2021 Fieldwork Program, management costs, including stock-based compensation, and the costs of engineering, mining, metallurgical, economic, logistical and other studies to assess the results of recent and earlier work and the future design possibilities for the Malmbjerg molybdenum project. The prior year's smaller net loss reflected a lower level of project activity. General corporate administration costs were low in both years.

As the Corporation currently has no recurring revenue, its ability to fund its operations is dependent on securing outside financing when required. See "Trends" and "Risks and Uncertainties".

## RESULTS OF OPERATIONS

The Corporation's net loss during the nine months ended December 31, 2022 was \$3,156,189, comprised primarily of the completion of the Malmbjerg Definitive Feasibility Study, stock-based compensation, and management expense.

## SUMMARY OF QUARTERLY RESULTS

The following tables set out selected quarterly results of the Corporation most recent eight financial quarters. The unaudited information presented here is derived from the relevant interim financial statements of the Corporation.

<b>Calendar Year</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>
<b>Quarter Ended</b>	<b>December 31 (Q3-2023)</b>	<b>September 30 (Q2-2023)</b>	<b>June 30 (Q1-2023)</b>	<b>March 31 (Q4-2022)</b>
Revenue	-	-	-	-
Working Capital	2,340,779	918,538	1,576,760	2,212,329
Expenses	(971,043)	(819,820)	(1,424,378)	(2,341,127)
Fair value loss	-	-	-	-
Gain on sale	-	-	-	-
Interest income	10,591	3,690	2,074	1,460
Net income (loss)	(960,452)	(816,130)	(1,421,136)	(2,317,877)
Net Income (Loss) (per share, basic and diluted)	(0.01)	(0.01)	(0.01)	(0.02)

<b>Calendar Year</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
<b>Quarter Ended</b>	<b>December 31 (Q3-2022)</b>	<b>September 30 (Q2-2022)</b>	<b>June 30 (Q1-2022)</b>	<b>March 31 (Q4-2021)</b>
Revenue	-	-	-	-
Working Capital	4,354,316	7,144,500	7,501,541	7,994,565
Expenses	(1,952,160)	(2,184,500)	(732,234)	(1,017,364)
Fair value loss	(836,000)	(3,454,000)		
Gain on sale	-	-	5,530,000	-
Interest income	4,693	2,211	2,279	29
Net income (loss)	(2,791,434)	(5,637,043)	4,786,976	(1,017,335)
Net Loss (per share, basic and diluted)	(0.03)	(0.06)	0.06	(0.01)

## LIQUIDITY AND CAPITAL RESOURCES

The activities of the Corporation are financed through the completion of equity transactions such as equity offerings and the exercise of warrants. There is no assurance that equity capital will be available to the Corporation in the amounts or at the times desired or on terms that are acceptable to the Corporation, if at all. See “Risks and Uncertainties”.

The Corporation’s operations consist of the acquisition, exploration and development of mineral properties. During the nine months ended December 31, 2022, and the year ended March 31, 2022, substantially all of the Corporation’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.

The Corporation’s cash totaled \$2,290,283 at December 31, 2022 (March 31, 2022 - \$1,961,845). The Corporation had working capital of \$2,340,779 at December 31, 2022 (March 31, 2022 - \$2,212,329).

Current liabilities of the Corporation at December 31, 2022, were \$232,593 (March 31, 2022 - \$376,382).

The Corporation has no exposure to debt and no credit or interest rate risk. Amounts payable and other liabilities are short-term and non-interest-bearing. The Corporation’s liquidity risk with financial instruments is minimal as excess funds are held as cash and money market funds with a Canadian bank.

The Corporation’s present plans are to deploy its cash to developing its Malmbjerg Molybdenum project and to fund its general and administrative expenditures for its corporate activities. See “Cautionary Note Regarding Forward-Looking Information”.

The Corporation presently has no commitments for capital expenditures and has no debt financing. The Corporation intends to fund future mineral exploration through equity financing, and any other financing arrangements that may become available. See “Risks and Uncertainties” and “Cautionary Note Regarding Forward-Looking Information”.



## OFF-BALANCE SHEET ARRANGEMENTS

The Corporation does not have any off-balance sheet arrangements.

## TRANSACTIONS WITH RELATED PARTIES

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 Corporation, directly or indirectly, including any directors (executive and non-executive) of the Corporation or entity.

Payments to parties related to the Corporation, or to entities to which they are related over the periods ended December 31, 2022 and 2021 are presented in the following table.

<b>Principal Position</b>	<b>Fiscal Period (Q1-Q3)</b>	<b>Consulting fees (management) (\$)</b>	<b>Stock-based compensation (\$)</b>	<b>Consulting fees (other) (\$)</b>	<b>Total compensation (\$)</b>
Officers	2023	822,535	-	-	822,535
	2022	656,868	-	-	656,868
Directors ( <i>not including officers</i> )	2023	50,000	-	97,699	147,699
	2022	-	-	56,000	56,000
Totals	2023	872,535	-	97,699	970,234
	2022	656,868	-	56,000	712,868

The above transactions were conducted in the normal course of business and were accounted for at the exchange amount which is the amount agreed between the parties.

One officer and director of the Corporation held an expense advance at December 31, 2022, with a balance of \$98,493 (March 31, 2022 - \$208,953). This amount is unsecured, non-interest bearing and due on demand.

On January 1, 2021, the Corporation granted 3,500,000 stock options to officers, directors, and consultants of the Corporation under the Corporation's stock option plan. These options were valued at \$414,028 in total, of which an amortized amount of \$175,892 was recognized in the year ended March 31, 2022 (2021 - \$238,136).

During the nine months ended December 31, 2022, the Corporation recorded rent expense of \$12,500 (2021 - \$5,224) paid to a company controlled by a director.

## SALE OF SUBSIDIARY

In May 2021, the Corporation closed the sale to Greenhawk Resources Inc. (formerly Cryptologic Corp.) of the Corporation's wholly-owned subsidiary, Copenhagen Minerals Inc. Greenhawk paid the Corporation \$250,000 in cash and issued 22 million of its own common shares at a deemed issue price of \$0.24 per share. The Corporation owned 26% of Greenhawk upon closing and had Board representation. In December 2021, the Corporation sold all of its shares in a private sale for cash proceeds of \$990,000.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the related reported amounts of revenue and expense during the reporting period. Such estimates and assumptions affect valuation of investments, funds paid as deposits in foreign currencies, warrants, stock options, accrued interest, and income tax accounts. Actual results could differ from those estimates. Management of the Corporation believes that the estimates are reasonable.

## SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

### Changes in accounting standards

During the year ended March 31, 2022, the Corporation adopted a number of new IFRS standards, interpretations,

amendments and improvements of existing standards. These included amendments to IFRS 9 and IFRS 16. These new standards and changes did not have any material impact on the Corporation's financial statements.

## CAPITAL STOCK

As of December 31, 2022, the Corporation had 103,392,479 common shares issued and outstanding (March 31, 2022 – 98,007,865).

On November 17, 2022 the Company closed a non-brokered private placement of 4,534,614 units of the Company at a price of \$0.52 per unit for aggregate gross proceeds of \$2,358,000. Each unit is comprised of one common share and one half of one common share purchase warrant.

### Stock Options

The Corporation has granted options in the past for the purchase of common shares under its April 28, 2015 Stock Option Plan for employees, officers, directors and consultants. 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 Corporation at the time of grant, not to be less than the market price of the common shares and subject to all applicable regulatory requirements.

As at December 31, 2022, the following stock options were outstanding:

<b>Outstanding Options #</b>	<b>Exercisable Options #</b>	<b>Exercise Price (\$ per share)</b>	<b>Weighted Average Remaining Contractual Life (years)</b>	<b>Expiry Date</b>
1,900,000	1,900,000	0.20	0.24	March 29, 2023
700,000	700,000	0.20	0.27	April 9, 2023
1,800,000	1,800,000	0.20	1.04	January 15, 2024
3,500,000	3,500,000	0.20	3.01	January 1, 2026
1,250,000	412,500	0.80	4.42	June 1, 2027
<b>9,150,000</b>	<b>8,312,500</b>	<b>0.28</b>	<b>2.03</b>	

The following table summarizes changes in stock options:

	<b>Options #</b>	<b>Exercise Price \$</b>
Balance, March 31, 2022	7,900,000	0.20
Granted (i)	1,250,000	0.80
Balance, December 31, 2022	<b>9,150,000</b>	

- i. On June 1, 2022, the Corporation granted 1,250,000 stock options to advisors of the Corporation 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 Corporation. The grant date fair value of the options granted was estimated to be \$688,995, of which \$581,379 was recognized in the current period and allocated to stock-based compensation.

### Warrants

As of December 31, 2022, the Corporation's issued and outstanding warrants to purchase common shares were as follows:

	<u>Warrants</u>	<u>Grant Date</u>
	<u>#</u>	<u>Fair Value</u>
		<u>\$</u>
Balance, March 31, 2022	13,770,631	1,957,258
Issued (i)	2,267,307	669,587
Issued (ii)	158,711	51,934
Exercised	(887,500)	(111,384)
Balance, December 31, 2022 (iii)	15,309,149	2,567,395

- i. 2,267,307 warrants were issued to investors through the private placement in November 2022. These warrants are exercisable at \$0.70 for a period of 24 months.
- ii. 158,711 broker warrants were issued in connection with the November 2022 private placement. Each broker warrant is exercisable into one broker warrant unit at a price of \$0.52 per unit for a period of 24 months. Each broker warrant unit is comprised of one common share and one half of one warrant entitling the holder to purchase one common share at an exercise price of \$0.70 for a period of 24 months. The fair value of the broker warrants was estimated using a Black-Scholes option-pricing model with the following assumptions: share price of \$0.53, expected dividend yield of 0%, expected volatility of 118%, risk free rate of 3.93%, and an expected life of 2 years. Volatility was based on the historical volatility of comparable companies.
- iii. Subsequent to December 31, 2022, up to the date of this MD&A, 2,428,624 warrants were exercised, increasing the Company's cash balance by \$1,270,203.

## FINANCIAL INSTRUMENTS

The nature and extent of the Corporation's use of financial instruments and risk exposures that might impact its financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous period.

### Financial Risk

#### *Liquidity Risk*

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, the Corporation had a cash balance of \$2,290,283 (March 31, 2022 - \$1,961,845) to settle current liabilities of \$232,593 (March 31, 2022 - \$376,382). All of the Corporation's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

#### *Interest Rate Risk*

The Corporation has cash balances and no interest-bearing debt. The Corporation's current policy is to invest excess cash in money market funds. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

#### *Credit Risk*

The Corporation's credit risk is primarily attributable to sales tax and other receivables and expense advances. Included in sales tax and other receivables is sales tax due from the Federal Government of Canada. From time to time the Corporation 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. 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 Corporation's functional and reporting currency is the Canadian dollar and purchases of goods and services have generally been transacted in Canadian dollars. The Corporation funds certain operations, exploration and administrative expenses on a cash basis in Danish Krone (DKK) or US Dollars (USD) 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, 2022, the Corporation's cash balances were all held in Canadian dollars. From time to time certain suppliers to the Corporation'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.

### **Sensitivity Analysis**

Sensitivity to a 1 percentage point change in interest rates, based on the balance of cash as at December 31, 2022, would result in a change in interest income of approximately \$22,903 (March 31, 2022 - \$19,618) if held over a twelve-month period. However, changes in interest rates affect the economy more broadly, and the Corporation cannot guarantee that the effects of such changes would be limited to the ones outlined above. Beginning in 2022, the Bank of Canada and other central banks have demonstrated a pattern of aggressive rate hikes and quantitative tightening in order to curb inflation, and the Corporation expects these increases to continue.

### **Fair Value**

The carrying values of the Corporation's current financial instruments comprising cash, sundry receivables, accounts payable and accrued liabilities, approximate their fair values due to their short-term nature.

## **RISKS AND UNCERTAINTIES**

Securities of the Corporation should be viewed as speculative due to the nature of the mineral exploration and development business in which the Corporation is engaged. Some of the risks associated with an investment in the securities of the Corporation are described below.

### *Definitive Feasibility Study and Commercial Viability*

The Corporation has one project, the Malmbjerg Molybdenum Project, which benefits from a Definitive Feasibility Study. The Definitive Feasibility Study reflects the Corporation's current best estimates of the feasibility for its Malmbjerg Molybdenum Project, but there is no guarantee that the key assumptions and estimates utilized for the preparation of the Definitive Feasibility Study will remain accurate so as to maintain the Malmbjerg Molybdenum Project's commercial viability in the future.

The price and marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Corporation's control and which cannot be accurately foreseen or predicted, such as market fluctuations, the global marketing conditions for minerals, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection.

### *Calculation of Reserves and Resources*

There is a degree of uncertainty attributable to the calculation of reserves and resources and the corresponding grades to be mined and recovered as outlined in the Definitive Feasibility Study. Until reserves or resources are actually mined and processed, the quantities of mineralization and grades must be considered as estimates only.

### *Exploration, Development and Operating Risks*

Exploration and development of mining operations generally involves a high degree of risk. Although reasonable precautions to minimize risk will be taken, the Corporation's operations will be subject to all the hazards and risks normally encountered in the exploration, development and production of precious and base metals. Uncertainties in exploration operations and expenses can arise from working in remote and physically difficult environments where weather, topography and seasonal factors can be unpredictable and infrastructure taken for granted elsewhere has not yet been installed or made operable. Risks and uncertainties in the mining phase include unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Milling operations related to mining are also subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas that may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge cannot eliminate entirely. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Corporation will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are historically highly variable; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact impact of these factors cannot be accurately predicted, but the combination of these factors may significantly reduce the investor's returns on invested capital.

There is no certainty that the expenditures made by the Corporation towards the search for and evaluation of mineral deposits will result in discoveries of commercial quantities of ore, or that such discoveries will remain commercially viable or economically feasible after their initial discovery.

#### *The Malmbjerg Molybdenum Project is the Corporation's Flagship Project*

The Corporation's only material property for the purposes of NI 43-101 is the Malmbjerg Molybdenum Project. Even with the benefit of the Definitive Feasibility Study, there is uncertainty relating to defining any mineral resources and reserves with sufficient geological continuity and extractive characteristics to make them commercially viable.

Failure to generate sufficient value through development of the Malmbjerg Molybdenum Project would necessitate the Corporation's search for other properties. The mining industry is intensely competitive in all of its phases and the Corporation would have to compete for such additional properties with many companies possessing greater financial and technical resources. In the event that the Corporation does not succeed in negotiating additional property acquisitions, future prospects in the long-term will likely be substantially limited, and the Corporation's financial condition and results of operations may deteriorate.

Any acquisition that the Corporation may choose to complete may be of a significant size, may change the scale of the Corporation's business and operations, and may expose the Corporation to new geographic, political, operating, financial and geological risks. The Corporation's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Corporation. Any acquisitions would be accompanied by risks. There can be no assurance that the Corporation would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

#### *Insurance and Uninsured Risks*

The Corporation's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Corporation's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Corporation maintains insurance through its subcontractors to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover the extent of all the potential risks associated with a mining company's operations. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Corporation or to other companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Corporation to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

#### *Environmental Risks and Hazards*

All phases of the Corporation's operations are subject to environmental regulation in the various jurisdictions in which it

operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Based on historical development of such legislation, environmental legislation is expected to develop stricter standards and enforcement terms, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Canada and Denmark in particular are viewed as global leaders in introducing such stringent environmental standards. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations. Environmental hazards may exist on the properties on which the Corporation holds interests which are unknown to the Corporation at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals, approval from indigenous groups, and permits are currently, and may in the future be required in connection with the Corporation's operations. To the extent such approvals are required and not obtained, the Corporation may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

#### *Infrastructure*

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. The Definitive Feasibility Study is prepared with certain assumptions about the current infrastructure at the Malmbjerg Molybdenum Project. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could render the Definitive Feasibility Study inaccurate and adversely affect the Corporation's operations, financial condition and results of operations.

#### *Land Title*

Although the title to the licence covering the property in which the Corporation holds an interest were reviewed by or on behalf of the Corporation, no absolute assurances can be given that there are no title defects affecting the property. Title insurance generally may not be available on commercially feasible terms, and the Corporation's ability to ensure that it has obtained a fully secured claim to individual mineral properties may be severely constrained.

#### *Competition*

The mining industry is competitive in all of its phases. The Corporation faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Corporation. As a result of this competition, the Corporation may be unable to acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the Corporation's revenues, operations and financial condition could be materially adversely affected.

#### *Additional Capital*

The exploration and development of the Corporation's properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on the Corporation's properties or even a loss of property interests. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Corporation.

### *Commodity Prices*

The price of the common shares, the Corporation's financial results and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of base metals. Base metal mineral prices fluctuate widely and are affected by numerous factors beyond the Corporation's control, such as the sale or purchase of such commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and other currencies, global and regional supply and demand, and the political and economic conditions of major mineral-producing countries throughout the world. The prices of base metals have fluctuated widely in recent years, and future serious price declines could cause continued development of and commercial production from the Corporation's property to be impracticable. Depending on the price of base metals, cash flow from mining operations may not be sufficient and the Corporation could be forced to discontinue production and may lose its interest in, or may be forced to sell, its property. Future production from the Corporation's mining property is dependent on base metal mineral prices that are adequate to make the producing property economic.

In addition to adversely affecting the Corporation's reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

### *Exchange Rate Fluctuations*

Exchange rate fluctuations may affect the costs that the Corporation incurs in its operations. Base metal minerals are generally sold in US dollars and the Corporation's costs will be incurred principally in Canadian dollars, US dollars and Danish Krone (DKK). Without limiting the generality of the foregoing, the appreciation of non-US dollar currencies against the US dollar in particular can increase the cost of base metal mineral exploration and production in US dollar terms.

### *Government Regulation*

The mining, processing, development and mineral exploration activities of the Corporation are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Although to the best of the Corporation's knowledge its current exploration and development activities are carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be interpreted or applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Corporation.

### *Key Executives*

The Corporation is dependent on the services of key executives, including the directors of the Corporation and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Corporation, the loss of these persons or the Corporation's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

### *Conflicts of Interest*

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Corporation should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (Ontario) and other applicable laws.

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Corporation's assets are safeguarded and to facilitate the preparation of relevant and timely information.



**CORPORATE INFORMATION**

Reporting Issuer:	Province of Ontario
Authorized Capital:	Unlimited number of common shares
Shares Outstanding:	105,813,603 common shares
Shares Subject to Issuance:	22,030,525 common shares (warrants and options)
Head Office:	25 York Street Suite 1810 Toronto, Ontario M5J 2V5
Transfer Agent:	Capital Transfer Agency Inc. Suite 920 390 Bay Street Toronto, Ontario M5H 2Y2
Auditor:	McGovern Hurley LLP Suite 800 251 Consumers Road Toronto, Ontario M2J 4R3
Officers/Directors:	Dr. Ruben Shiffman, B.B.A./M.B.A., Ph.D., President, Chairman and Director  Leonard Asper, B.A., LL.B., Director  James Steel, MBA, P.Geo., Director  Nauja Bianco, M.Pol.Sci., Director  Keith Minty, B.Sc., Mining Engineering, Engineering and Project Management  Eric Grossman, MA, CPA, Chief Financial Officer