



GREENLAND RESOURCES INC.
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 and 2023
(Expressed in Canadian dollars)

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Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Greenland Resources Inc.

Opinion

We have audited the consolidated financial statements of Greenland Resources Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there were no key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Soheil Talebi.

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
June 28, 2024

GREENLAND RESOURCES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31
(Expressed in Canadian dollars)

	2024	2023
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalents	3,680,101	3,282,313
Advances to related party (Note 4(b))	277,590	192,063
Sales tax receivable	124,109	210,516
Prepaid expenses and deposits	9,809	16,254
TOTAL CURRENT ASSETS	4,091,609	3,701,146
TOTAL ASSETS	4,091,609	3,701,146
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 4(a))	390,072	160,184
TOTAL LIABILITIES	390,072	160,184
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 5(b))	25,053,349	18,755,289
WARRANT RESERVE (Note 5(c))	547,674	1,881,442
CONTRIBUTED SURPLUS (Note 5(d))	1,967,093	1,323,919
DEFICIT	(23,866,579)	(18,419,688)
TOTAL SHAREHOLDERS' EQUITY	3,701,537	3,540,962
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,091,609	3,701,146
NATURE OF OPERATIONS AND GOING CONCERN (Note 1)		
COMMITMENTS AND CONTINGENCIES (Notes 6 and 10)		

APPROVED ON BEHALF OF THE BOARD:

Signed "*Ruben Shiffman*", Director

Signed "*James Steel*", Director

GREENLAND RESOURCES INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED MARCH 31
(Expressed in Canadian dollars)

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	2024	2023
	\$	\$
EXPENSES		
General and administration expenses	313,803	377,686
Accounting and legal	127,393	167,979
Consulting (Note 4)	2,707,870	1,383,272
Stock-based compensation (Notes 4 and 5(d))	918,174	634,891
Rent	15,000	16,250
Investor relations	130,085	215,410
Travel	337,295	253,524
Exploration expenses (Note 6)	1,886,780	697,010
Transfer agent fees	11,929	15,185
Insurance	21,137	20,581
Foreign exchange loss	21,889	6,349
NET (LOSS) FROM CONTINUING OPERATIONS	(6,491,355)	(3,788,137)
Interest income	190,004	35,517
NET (LOSS) AND COMPREHENSIVE (LOSS)	(6,301,351)	(3,752,620)
NET (LOSS) PER SHARE		
Basic and diluted (loss) per share:	(0.06)	(0.04)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		
-basic and diluted	112,738,788	101,056,471

See accompanying notes to the consolidated financial statements.

GREENLAND RESOURCES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED MARCH 31
(Expressed in Canadian dollars)

	Common Shares #	Share Capital \$	Warrant Reserve \$	Contributed Surplus \$	Deficit \$	Total \$
Balance - March 31, 2022	98,007,865	14,167,111	1,957,258	898,028	(14,810,068)	2,212,329
Exercise of warrants (Note 5)	4,000,843	2,776,541	(612,740)	-	-	2,163,801
Exercise of options (Note 5)	600,000	186,000	-	(66,000)	-	120,000
Vesting of stock options (Note 5)	-	-	-	634,891	-	634,891
Expiry of options (Note 5)	-	-	-	(143,000)	143,000	-
Issue of units (Note 5)	4,534,614	1,873,010	484,990	-	-	2,358,000
Issue costs (Note 5)	-	(247,373)	51,934	-	-	(195,439)
Net (loss) for the year	-	-	-	-	(3,752,620)	(3,752,620)
Balance - March 31, 2023	107,143,322	18,755,289	1,881,442	1,323,919	(18,419,688)	3,540,962
Exercise of warrants (Note 5)	3,991,648	2,755,139	(556,308)	-	-	2,198,831
Exercise of options (Note 5)	1,800,000	558,000	-	(198,000)	-	360,000
Vesting of stock options (Note 5)	-	-	-	918,174	-	918,174
Expiry of warrants (Note 5)	-	-	(777,460)	-	777,460	-
Expiry of options (Note 5)	-	-	-	(77,000)	77,000	-
Issue of shares (Note 5)	4,225,352	3,000,000	-	-	-	3,000,000
Issue costs (Note 5)	-	(15,079)	-	-	-	(15,079)
Net (loss) for the year	-	-	-	-	(6,301,351)	(6,301,351)
Balance - March 31, 2024	117,160,322	25,053,349	547,674	1,967,093	(23,866,579)	3,701,537

See accompanying notes to the consolidated financial statements.

GREENLAND RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31
(Expressed in Canadian dollars)

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	2024	2023
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	(6,301,351)	(3,752,620)
Adjustment for:		
Stock-based compensation (Note 5(d))	918,174	634,891
	<u>(5,383,177)</u>	<u>(3,117,729)</u>
Changes in non-cash working capital balances:		
Sales tax and other receivables	86,407	119,367
Prepaid expenses and deposits	6,445	71,776
Advances to related party (Note 4(b))	(85,527)	16,890
Accounts payable and accrued liabilities	229,888	(216,198)
	<u>(5,145,964)</u>	<u>(3,125,894)</u>
Net cash (outflow) from operating activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of warrants	2,198,831	2,163,801
Proceeds from exercise of options	360,000	120,000
Proceeds from issue of equity units (Note 5(b))	3,000,000	2,358,000
Cash issue costs of equity units (Note 5(b))	(15,079)	(195,439)
	<u>5,543,752</u>	<u>4,446,362</u>
Net cash from financing activities		
Increase in cash	397,788	1,320,468
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,282,313</u>	<u>1,961,845</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>3,680,101</u>	<u>3,282,313</u>
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash	2,555,429	772,662
Cash equivalents	1,124,672	2,509,651

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 adjustment 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 June 28, 2024.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements of the Company were prepared in accordance with 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”).

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 consolidated financial statements.

2. BASIS OF PREPARATION (Continued)

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 subsidiary after eliminating inter-entity balances and transactions.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consists of chequing short-term deposits and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value and which have a maturity of three months or less at acquisition which are held at financial institutions in Canada. The Company has not experienced any losses related to these balances and management believes the credit risk to be minimal.

Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of exploration and evaluation properties, property option payments and exploration and evaluation activity.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Decommissioning, restoration and similar liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of an exploration property interest. Such costs, discounted to their net present value, are provided for at the start of each project as soon as the obligation to incur such costs arises. The timing of the actual expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates. Discount rates, using a pretax rate reflecting the time value of money, are used to calculate the net present value. The liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Changes in estimates of decommissioning costs are accounted for in the period the change is identified.

The Company had no material restoration, rehabilitation and environmental obligations as at March 31, 2024 and 2023.

Provision

A provision is recognized, if, as a result of a past event, the Company has a legal or constructive obligation that can be estimated reliably and it is probable that a future outflow of economic benefits will be required to settle the obligation. The timing or amount of the outflow may still be uncertain.

Provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and specific risks of the obligation. Where there are a number of obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. All provisions are reviewed at each reporting date and adjusted accordingly to reflect the current best estimate. The Company had no material provisions at March 31, 2024 and 2023.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes

Income tax expense comprises current and deferred tax and is recognized in profit and loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive loss.

Current income taxes

Current income tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current income tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxes

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statements of financial position and their corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Capital stock and warrants

The Company's common shares and warrants are classified as equity instruments only to the extent that they do not meet the definition of a financial liability. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction, net of tax, from the proceeds. Expired warrants are transferred to deficit on expiry.

Financial instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either Fair Value Through Profit or Loss ("FVPL") or Fair Value Through Other Comprehensive Income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Other accounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The Company's cash and cash equivalents and advances are measured at amortized cost.

3. **SIGNIFICANT ACCOUNTING POLICIES (Continued)**
Financial instruments (Continued)
Financial assets (Continued)

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of earnings (loss) when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are other accounts receivable and advances to related party, which are measured at amortized cost, which are measured by comparison to arm's length transactions involving the investee company. For the accounts receivable assets, the Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
Financial instruments (Continued)
Financial liabilities (Continued)

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

Fair value

The Company classified financial instruments recognized at fair value in accordance with a fair value hierarchy that includes the inputs used to measure fair value. The hierarchy gave the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of cash and cash equivalents, sales tax and other receivables, advances and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

There were no transfers in or out of Levels 1, 2 or 3 during the years presented.

Foreign currency transactions

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Loss per share

Basic loss per share is calculated by dividing profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. The denominator (number of units) is calculated by adjusting the shares in issue at the beginning of the year by the number of shares bought back or issued during the year, multiplied by a time-weighting factor.

Diluted loss per share is calculated by adjusting the number of shares for the effects of dilutive options and warrants. The effects of anti-dilutive potential units are ignored in calculating diluted loss per share. During the year ended March 31, 2024, all outstanding warrants and options were excluded from the diluted loss per share calculation as they were anti-dilutive.

Share-based payments

The Company accounts for its share-based payments using the fair value method of accounting for accounts settled in shares and for stock options granted to directors, officers, employees, non-employees, consultants and service providers to the Company. The fair value of stock options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. Share-based payments to non-employees are measured at the fair value of the goods or services received, unless that fair value

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
Share-based payments (Continued)

cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the date the goods or services are received.

The fair value of stock options is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. Unexercised expired stock option values are transferred to deficit.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are as follows:

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based share awards is determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
Significant accounting judgments, estimates and assumptions (Continued)

Contingencies

Refer to Note 10.

New accounting policies

During the year ended March 31, 2024, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These new standards and changes did not have any material impact on the Company's financial statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024.

4. RELATED PARTY TRANSACTIONS

- (a) 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 (year)	Consulting fees (management) (\$)	Stock-based compensation (\$)	Consulting fees (other) (\$)	Total compensation (\$)
Officers	2024	1,156,321	349,742	-	1,506,063
	2023	996,010	-	-	996,010
Directors (<i>not including officers</i>)	2024	-	164,585	116,412	280,997
	2023	-	-	161,234	161,234
Totals	2024	1,156,321	514,327	116,412	1,787,060
	2023	996,010	-	161,234	1,157,244

At March 31, 2024, \$31,047 (2023 - \$34,812) of the above Consulting fees (management) total was owed to officers who are not directors, \$33,900 (2023 - \$33,900) was paid in advance to an officer who is a director, and \$2,600 (2023 - \$2,600) of the above Consulting fees (other) total was owed to directors; these amounts are included in Accounts Payable and Accrued Liabilities.

- (b) During the year ended March 31, 2024, the Company paid \$838,496 (2023 - \$538,717) to a corporation owned by an officer and director of the Company. As at March 31, 2024, the Company held an advance of \$277,590 (2023 - \$192,063) with the officer and director. This amount is unsecured, non-interest bearing, and is due on demand.
- (c) During the year ended March 31, 2024, the Company recorded rent expense of \$15,000 (2023 - \$16,250) paid to a company controlled by a director.

5. CAPITAL STOCK, WARRANTS AND STOCK OPTIONS

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

(b) Issued common shares

	Number of shares #	Amount \$
Balance, issued, March 31, 2022	98,007,865	14,167,111
Private placement (i)	4,534,614	1,625,637
Exercise of warrants	4,000,843	2,776,541
Exercise of options	600,000	186,000
Balance, issued, March 31, 2023	107,143,322	18,755,289
Private placement (ii)	4,225,352	2,984,921
Exercise of warrants	3,991,648	2,755,139
Exercise of options	1,800,000	558,000
Balance, issued, March 31, 2024	117,160,322	25,053,349

- i. 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 \$2,357,999. Each unit is comprised of one common share and one half of one common share purchase warrant. The Company paid a 7% cash broker commission and other issue costs totalling \$195,439 and issued 158,711 broker warrants which were assigned a grant date fair value of \$51,934. The fair value of the warrant component of the units was estimated using a Black-Scholes option-pricing model with the following assumptions: share price of \$0.41, expected dividend yield of 0%, expected volatility of 121%, risk free rate of 3.93%, and an expected life of 2 years. Volatility was based on the historical volatility of comparable companies.
- ii. On July 12, 2023, the Company closed a non-brokered private placement of 4,225,352 common shares at a price of \$0.71 per share for aggregate gross proceeds of \$3,000,000. The Company paid related legal costs of \$15,079.

(c) Warrants

	Warrants #	Grant Date Fair Value \$	Weighted Average Exercise Price \$	Weighted Average Life (years)
Balance, March 31, 2022	13,770,631	1,957,258	0.56	1.47
Issued (i)	2,267,307	484,990	0.70	1.63
Issued (ii)	158,711	51,934	0.52	1.63
Issued (iii)	435,909	-	0.60	0.47
Exercised	(4,000,843)	(612,740)	0.10	1.63
Balance, March 31, 2023	12,631,715	1,881,442	0.56	0.70
Issued (iv)	392,318	-	0.60	0.00
Exercised	(3,991,648)	(556,308)	0.55	0.47
Expired	(6,606,367)	(777,460)	0.58	0.00
Balance, March 31, 2024	2,426,018	547,674	0.69	0.63

5. CAPITAL STOCK, WARRANTS AND STOCK OPTIONS (Continued)

- 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 \$0.52, 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. 435,909 warrants were issued to brokers by exercise of broker warrants originally issued in connection with a March 2021 private placement. These warrants are exercisable at \$0.60 and expired on September 20, 2023. No grant date fair value was assigned to these warrants.
- iv. 373,942 warrants were issued to brokers by exercise of broker warrants originally issued in connection with a March 2021 private placement. These warrants are exercisable at \$0.60 and expired on September 20, 2023. No grant date fair value was assigned to these warrants.

As at March 31, 2024, the following warrants were outstanding:

Outstanding Warrants #	Exercise Price (\$ per share)	Weighted Average Remaining Contractual Life (years)	Expiry Date
2,267,307	0.70	0.63	November 16, 2024
158,711	0.52	0.63	November 16, 2024
2,426,018	0.69	0.63	

(d) 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.

As at March 31, 2024, the following stock options were outstanding:

Outstanding Options #	Exercisable Options #	Exercise Price (\$ per share)	Weighted Average Remaining Contractual Life (years)	Expiry Date
3,500,000	3,500,000	0.20	1.76	January 1, 2026
1,250,000	1,250,000	0.80	3.17	June 1, 2027
2,100,000	1,386,000	0.80	4.38	August 17, 2028
6,850,000	6,136,000	0.49	2.82	

5. CAPITAL STOCK, WARRANTS AND STOCK OPTIONS (Continued)

The following summarizes changes in stock options:

	Options #	Grant Date Fair Value \$	Exercise Price \$
Balance, March 31, 2022	7,900,000	898,028	0.20
Expired	(1,300,000)	(143,000)	0.20
Granted (i)	1,250,000	634,891	0.80
Exercised	(600,000)	(66,000)	0.20
Balance, March 31, 2023	7,250,000	1,323,919	0.28
Expired	(700,000)	(77,000)	0.20
Granted (ii)	2,100,000	864,069	0.80
Vested (i)	-	54,105	0.80
Exercised	(1,800,000)	(198,000)	0.20
Balance, March 31, 2024	6,850,000	1,967,093	0.49

- 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 June 1, 2027, five years from the grant date. 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 option 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 \$688,996, of which \$54,105 (2023 - \$634,891) was recognized during the year ended March 31, 2024 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 August 17, 2028, five years from the grant date. 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 option 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 \$864,069 was recognized during the year ended March 31, 2024 and allocated to stock-based compensation.

6. EXPLORATION AND EVALUATION PROPERTIES

The Company has the following license 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.

6. EXPLORATION AND EVALUATION PROPERTIES (Continued)

Malmbjerg Molybdenum Project

Exploration and evaluation expenditures for the Malmbjerg Molybdenum property during the year ended March 31, 2024, totalled \$1,886,780 (2023 - \$697,010) and are summarized in the following table:

	Year ended March 31,	
	2024	2023
	\$	\$
License fees, tenure	61,889	8,226
Consulting, deposit studies	1,463,199	654,365
Supplies and services	107,915	1,846
Travel, helicopter, vessels, and accommodations (summer field program)	253,777	32,573
	<u>1,886,780</u>	<u>697,010</u>

7. 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 and cash equivalents, advances, sales tax and other 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 March 31, 2024, the Company had a cash and cash equivalents balance of \$3,680,101 (2023 - \$3,282,313) to settle current liabilities of \$390,072 (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.

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.

7. FINANCIAL INSTRUMENTS (Continued)

Risk Factors (Continued)

Credit Risk:

The Company's credit risk is primarily attributable to cash and cash equivalents, sales tax receivable and expense advances. Included in sales tax receivable 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 March 31, 2024, \$277,590 (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 sales tax receivable 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 March 31, 2024, 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 March 31, 2024 would result in a change in interest income of approximately \$36,801 (2023 - \$32,823) if held over a twelve-month period.

8. INCOME TAXES

(a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2023 – 26.5%) were as follows:

	2024	2023
	\$	\$
(Loss) before income taxes	(6,301,351)	(3,752,620)
Expected income tax recovery based on statutory rate	(1,670,000)	(994,000)
Adjustment to expected income tax benefit:		
Expenses not deductible for tax purposes	(154,000)	(63,000)
Share-based compensation	243,000	168,000
Change in benefit of tax assets not recognized	1,581,000	889,000
Deferred income tax provision (recovery)	-	-

8. INCOME TAXES (Continued)

(b) Deferred Income Tax

	2024	2023
	\$	\$
<u>Unrecognized deductible temporary differences</u>		
Resource expenditures	8,654,000	6,768,000
Non-capital loss carry-forwards	14,576,000	10,207,000
Share issue costs and other	403,000	680,000
Deductible temporary differences not recognized	23,633,000	17,655,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

The non-capital losses expire from 2026 to 2044. The other temporary differences do not expire under current legislation.

9. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of capital stock, warrant reserve, contributed surplus, and 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 years ended March 31, 2024 and 2023.

10. COMMITMENTS AND CONTINGENCIES

Environmental 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 6)

Management contracts

The Company is party to certain employment contracts. The minimum amount due in one year pursuant to these contracts is \$370,000. These contracts require that additional payments of approximately \$1,100,000 be made upon occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

11. SEGMENTED INFORMATION

The Company's operations consist of the acquisition, exploration and development of mineral properties. During the years ended March 31, 2024 and 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.