HUDSON RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Hudson Resources Inc.

Opinion

We have audited the accompanying consolidated financial statements of Hudson Resources Inc. (the "Company"), which comprise the consolidated statement of financial position as at March 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of $5,462,392 during the year ended March 31, 2022 and, as of that date, the Company's current liabilities exceeded its current assets by $834,074. As stated in Note 1, these events and conditions indicate that material uncertainties exist that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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 to 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 the 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 judgment 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 risk 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

The engagement partner on the audit resulting in this independent auditor's report is Erez Bahar.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

July 28, 2022

Hudson Resources Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at		March 31, 2022		March 31, 2021
ASSETS				
Current assets				
Cash	$	**21,018**	$	121,544
Sales tax and other receivables		**11,605**		37,258
Deposits		**6,993**		6,993
Prepaid expenses		**2,054**		6,042
		41,670		**171,837**
Non-current assets				
Equipment and right of use asset (note 4)		**8,183**		52,216
Resource properties (note 5)		**13,626**		6,253
Investment in associate (note 6)		**-**		4,725,709
		21,809		4,784,178
TOTAL ASSETS	**$**	**63,479**	**$**	**4,956,015**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (note 7)	$	**744,390**	$	415,988
Notes payable (note 8)		**131,354**		-
		875,744		**415,988**
Non-current liabilities				
Lease obligations (note 9)		**-**		8,573
		-		**8,573**
TOTAL LIABILITIES		**875,744**		**424,561**
EQUITY				
Share capital (note 10(b))	$	**78,208,835**	$	78,208,835
Reserves		**13,314,716**		13,196,043
Deficit		**(92,335,816)**		(86,873,424)
TOTAL EQUITY		**(812,265)**		**4,531,454**
TOTAL EQUITY AND LIABILITIES	**$**	**63,479**	**$**	**4,956,015**

Corporate information and continuance of operations (note 1)
Commitments (note 12)
Segmented information (note 13)
Subsequent events (note 17)

The accompanying notes are an integral part of these consolidated financial statements.

These consolidated financial statements were approved for issue by the Audit Committee of the Company on behalf of the Board of Directors on July 28, 2022 and signed on its behalf by:

/s/ Antony Harwood Director *   /s/ Donna Phillips Director*

Hudson Resources Inc.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

		For the year ended March 31, 2022		March 31, 2021
EXPENSES				
Depreciation (note 4)	$	**44,033**	$	44,200
Directors' fees (note 11)		**96,000**		121,667
Exploration and evaluation costs		**36,036**		35,792
Foreign exchange		**-**		(34,869)
Foreign exchange - unrealized		**(154)**		(2,002,722)
Interest and financing costs		**15,294**		2,504,087
Office		**32,890**		63,572
Personnel costs (note 11)		**542,539**		697,003
Professional fees		**73,273**		278,266
Rent		**27,993**		27,777
Share-based payments (note 10(d))		**118,673**		300,605
Shareholder and community engagement		**8,925**		12,535
Transfer agent and filing fees		**24,406**		38,105
Travel and accommodation		**109**		866
TOTAL EXPENSES		**1,020,017**		2,086,884
OTHER ITEMS				
Other income		**(283,334)**		(342,576)
Gain on disposition of controlling interest (note 6)		**-**		(370,781)
Share of loss from associates (note 6)		**4,725,709**		3,500,592
NET LOSS (INCOME) FOR THE YEAR		**5,462,392**		4,874,119
OTHER COMPREHENSIVE LOSS (INCOME)				
Items that are or maybe reclassified subsequnetly to profit or loss				
Reclassification of foreign currency differences on disposition of controlling interest		**-**		(11,488)
Foreign currency translation on foreign operations		**-**		(8,872)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	$	**5,462,392**	$	4,853,759
Basic and diluted loss per share for the year	$	**0.03**	$	0.03
Weighted average number of common shares outstanding - basic and diluted		**178,409,205**		178,397,587

The accompanying notes are an integral part of these consolidated financial statements.

Hudson Resources Inc.
Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)

		Share capital		Reserves					
	Note	Number of shares	Amount	Additional paid-in capital	Stock options reserve	Warrants reserve	Foreign currency translation reserve	Deficit	Total
Balance at March 31, 2020		**178,392,705**	**$ 78,206,360**	**$ 7,559,876**	**$ 2,530,035**	**$ 2,805,527**	**$ 2,616**	**$ (82,010,793)**	**$ 9,093,621**
Shares issued for cash - exercise of stock options		16,500	2,475	840	(840)	-	-	-	**2,475**
Expiry of stock options		-	-	807,384	(807,384)	-	-	-	**-**
Cancellation and foreiture of stock options		-	-	354,186	(354,186)	-	-	-	**-**
Expiry of warrants		-	-	531,347	-	(531,347)	-	-	**-**
Share-based payments	10(d)	-	-	-	300,605	-	-	-	**300,605**
Loss and comprehensive loss		-	-	-	-	-	8,872	(4,874,119)	**(4,865,247)**
Reclassification of foreign currency differences on disposition of controlling interest		-	-	-	-	-	(11,488)	11,488	**-**
Balance at March 31, 2021		**178,409,205**	**$ 78,208,835**	**$ 9,253,633**	**$ 1,668,230**	**$ 2,274,180**	**$ -**	**$ (86,873,424)**	**$ 4,531,454**
Balance at March 31, 2021		**178,409,205**	**$ 78,208,835**	**$ 9,253,633**	**$ 1,668,230**	**$ 2,274,180**	**$ -**	**$ (86,873,424)**	**$ 4,531,454**
Cancellation and foreiture of stock options		-	-	103,536	(103,536)	-	-	-	**-**
Expiry of warrants		-	-	1,809,376	-	(1,809,376)	-	-	**-**
Share-based payments	10(d)	-	-	-	118,673	-	-	-	**118,673**
Loss and comprehensive loss		-	-	-	-	-	-	(5,462,392)	**(5,462,392)**
Balance at March 31, 2022		**178,409,205**	**$ 78,208,835**	**$ 11,166,545**	**$ 1,683,367**	**$ 464,804**	**$ -**	**$ (92,335,816)**	**$ (812,265)**

The accompanying notes are an integral part of these consolidated financial statements.

Hudson Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from (used in):		
OPERATING ACTIVITIES		
Net income (loss) for the period	$ (5,462,392)	$ (4,874,119)
Adjustments for items not affecting cash:		
Depreciation	44,033	44,200
Share-based payments	118,673	300,605
Interest and financing costs	4,205	20,022
Foreign exchange	-	(34,869)
Foreign exchange - unrealized	-	(2,002,722)
Gain on disposition of controlling interest	-	(370,781)
Share of loss from equity accounted investments	4,725,709	3,500,592
	(569,772)	**(3,417,072)**
Net changes in non-cash working capital items:		
Sales tax and other receivables	25,653	20,954
Prepaid expenses	3,988	398,925
Inventory	-	(102,850)
Accounts payable and accrued liabilities	374,178	2,682,318
Net cash flows from (used in) operating activities	**(165,953)**	**(417,725)**
FINANCING ACTIVITIES		
Proceeds from exercise of stock options	-	2,475
Proceeds from notes payable	125,000	-
Lease payments	(52,200)	(158,432)
Net cash flows from (used in) financing activities	**72,800**	**(155,957)**
INVESTING ACTIVITIES		
Equipment purchases	-	(596,540)
Resource property acquisition costs	(7,373)	(6,253)
Reclamation bonds	-	1,023,274
Restricted cash	-	1,438,785
Expenditures on development assets	-	(3,029,183)
Net cash flows used in investing activities	**(7,373)**	**(1,169,917)**
Effect of exchange rate changes on cash	**-**	**36,099**
Net increase (decrease) in cash	**(100,526)**	**(1,707,500)**
Cash, beginning of year	**121,544**	**1,829,044**
Cash, end of year	**$ 21,018**	**$ 121,544**
Cash paid during the year for interest on note payable	**$ -**	**$ -**
Cash paid during the year for taxes	**$ -**	**$ -**
Supplementary cash flow information		
Reclassification of the fair value of options expired	**$ -**	**$ 807,384**
Reclassification of the fair value of options cancelled	**$ 103,536**	**$ 354,186**
Reclassification of grant date fair value on exercise of stock options	**$ -**	**$ 840**
Reclassification of the fair value of warrants expired	**$ 1,809,376**	**$ 531,347**

The accompanying notes are an integral part of these consolidated financial statements.

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Hudson Resources Inc. (“Hudson” or the “Company”) is a publicly listed company and its shares are listed on the TSX Venture Exchange under the symbol “HUD”. The Company was incorporated on March 7, 2000 under the Company Act of the Province of British Columbia. The Company’s head office and the registered records office are located at Suite 1500 - 701 West Georgia St, Vancouver, BC V7Y 1C6.

The Company is in the business of prospecting for, developing, and mining mineral resources located in Greenland and is currently focused on its wholly owned Nukittooq niobium - tantalum (“Nb-Ta”) project and its Sarfartoq rare earth element (“REE”) projects and continues to support production from the White Mountain Project (the “Project” or “Qaqortorsuaq“ in Greenland) located on its Naajat anorthosite mineral license holding. The Company may also acquire, explore and evaluate other resource properties, and either joint venture or develop these properties further or dispose of them when the evaluation is completed.

Going Concern

The Company has experienced recurring operating losses and as at March 31, 2022, had a working capital deficit of $834,074. Working capital is defined as current assets less current liabilities and provides a measure of the Company’s ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year.

For the current Year ended March 31, 2022, the Company recorded a net loss of $5,462,392 and an accumulated deficit of $92,335,816 with the cumulative losses being attributable to the extensive lead times required to identify and secure potential minerals resources of commercial value, to obtain all necessary permits and licenses required for development of a deposit and the complexity of construction of the processing plant and shipping facilities in a remote location.

The Company expects to incur further losses in the development of its business, all of which may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to generate future cash flow from its operations and/or obtain additional financing.

These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Realizable values may be substantially different from carrying values as shown.

Impact of COVID-19

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics, pandemics or other health crises, such as the outbreak of COVID-19 that was designated as a pandemic by the World Health Organization on March 11, 2020. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health crises can result in operating, supply chain and project development delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping.

The longer-term impact of these factors on the Company is not yet determinable, however they may have a material impact on the Company’s financial position, results of operations and cash flows in future periods. There may be heightened risk of mineral property impairment and liquidity or going concern uncertainty.

1. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance and basis of preparation

These consolidated financial statements of the Company have been prepared in accordance with Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective on March 31, 2022.

Basis of consolidation and equity accounting

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Subsidiaries are deconsolidated from the date that control ceases. All intercompany balances, transactions, income and expenses, and profits or losses are eliminated on consolidation.

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognized at cost.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment. Where the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity-accounted investments is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

The Transaction as announced by the Company on September 23, 2020 (see note 6) resulted in a loss of de-facto control of the Subsidiary as the facts and circumstances indicate. Accordingly, the Subsidiary has been deconsolidated as at the Transaction date when control ceased, and the Company commenced application of equity method of accounting for Hudson Greenland A/S and recognized its investment in associate at its fair value.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Resource properties

Resource properties include acquired mineral use rights for mineral properties held by the Company. The amount of consideration paid (in cash or share value) for mineral use rights is capitalized. Pre-exploration, and exploration costs are expensed as incurred as exploration and evaluation costs. The amounts shown for resource properties represent costs of acquisition incurred to date, less recoveries, and do not necessarily reflect present or future values. These costs will be amortized against revenue from future production or written off if the resource properties are abandoned or sold. Included in the cost of resource properties is the cost of the estimated decommissioning liability (reclamation obligation). The Company classifies resource properties as intangible in nature. Depletion of costs capitalized on projects put into commercial production will be recorded using the unit-of-production method based upon estimated proven and probable reserves. Proceeds received from the sale of any interest in a property are credited against the carrying value of the property, with any excess included in operations for the period.

Ownership in resource properties involves certain inherent risks, including geological, metal prices, operating costs, and permitting risks. Many of these risks are outside the Company's control. The ultimate recoverability of the amounts capitalized for the resource properties is dependent upon the delineation of economically recoverable ore reserves, obtaining the necessary financing to complete their development, obtaining the necessary permits to operate a mine, and realizing profitable production or proceeds from the disposition thereof. Management's estimates of recoverability of the Company's investment in its resource properties have been based on current and expected conditions. However, it is possible that changes could occur which could adversely affect management's estimates and may result in future write downs of resource properties carrying values.

The Company assesses resource property assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

When a project is deemed to no longer have commercially viable prospects to the Company, the carrying amount of the resource property, in excess of estimated recoveries, in respect of that project are deemed to be impaired and written off to profit or loss.

Exploration and evaluation costs

Exploration and evaluation costs, other than those acquisition costs described above, are expensed as incurred including costs incurred prior to obtaining mineral use rights, until such time that permits to operate the mineral resource property are received, financing to complete development has been obtained, and technical feasibility and commercial viability are demonstrable. Following confirmation of mineral reserves or receipt of permits to commence mining operations and obtaining necessary financing, exploration and evaluation expenditures are capitalized within development assets and capitalized expenditures are transferred from exploration and evaluation assets, and equipment, to development assets.

Exploration and evaluation costs that are considered to be tangible, are recorded as a component of equipment at cost less accumulated impairment losses. As the asset is not available for use, is not depreciated.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Equipment

Equipment is initially recognized at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future costs of dismantling and removing items. The corresponding liability is recognized within reclamation obligation. All items of equipment are subsequently carried at cost less accumulation depreciation except for exploration and evaluation costs that are considered tangible in nature (see "Exploration and evaluation costs" above), and impairment losses, if any.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net within profit or loss.

Depreciation is provided for at the following rates:

- Office equipment 30%
- Computer equipment 30%
- Vehicles 20%
- Field equipment 30%
- Right of use asset Straight-line over life of asset

Additions during the year are depreciated at one-half rates. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. Material residual value estimates and estimates of useful life are reviewed at each financial year end and adjusted if appropriate.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of a larger CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

When applicable, the Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses previously recognized are assessed at each reporting date for indications that the loss has decreased or no longer exists. An impairment loss is reversed to the extent that the asset's new carrying amount does not exceed the original carrying amount, net of related accumulated depletion, and depreciation, if there has been an increase in the estimate of the recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Taxation

Income tax expense comprises of current and deferred taxes. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or reserves.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date.

Deferred income tax is provided for any temporary differences at the reporting date between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset only when the Company has a legally enforceable right to set off current tax assets and liabilities and the deferred income taxes related to the same taxable entity and the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of income tax or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Currency translation

The presentation currency and functional currency of the Company is the Canadian dollar. The functional currency of the Company is measured using the currency of the primary economic environment in which that entity operates based on assessments of IAS 21, "*The Effects of Foreign Exchange Rates*".

Transactions and balances

Foreign currency transactions are translated into the functional currency of the underlying entity using appropriate average rates of exchange. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange in effect at the end of each reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss.

Foreign operations

The results of foreign operations are translated to Canadian dollars at appropriate rates of exchange during the year and are included in foreign currency translation reserve. The assets and liabilities of foreign operations are translated to Canadian dollars at rates of exchange in effect at the end of the period. Gains or losses arising on translation of foreign operation's assets and liabilities to Canadian dollars at period end are recognized in foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognized in the statement of comprehensive income (loss) as part of the gain or loss on sale.

Share-based payments

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in stock options reserve within equity.

Where equity-settled share options are awarded to employees, the fair value of the options, which is measured using the Black-Scholes option pricing model at the date of grant, is charged to profit or loss over the vesting period on a graded-vesting basis. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Share-based payments (continued)

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in stock options reserve, until exercised or upon expiration. Upon exercise, shares are issued from treasury and the amount reflected in stock options reserve is credited to share capital, adjusted for any consideration paid. The fair value of the expired options will be transferred to additional paid-in capital. Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

Cash

Cash comprise cash on hand, deposits held on call with banks, and highly liquid investments that are readily convertible into a known amount of cash and which are subject to insignificant risk of changes in value.

Financial instruments

Financial assets

Financial assets are classified at initial recognition based on the applicable measurement model: amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (loss) ("OCI").

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not subsequently measured at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Financial instruments (continued)

Financial liabilities

Financial liabilities are designated as either FVTPL or other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the balance sheet subsequent to inception and how changes in value are recorded. Accounts payable are classified as other financial liabilities and carried on the balance sheet at amortized cost.

Debt is recognized initially at fair value, net of any directly attributable transaction costs. Subsequent to initial recognition the debt is measured at amortized cost, calculated using the effective interest rate method.

Leases

The Company adopted IFRS 16 as of April 1, 2019 in accordance with the transitional provisions outlined in the standard, using the modified retrospective approach, where leases have been recorded on April 1, 2019. Right-of-use assets were recorded in an amount equal to lease liabilities, adjusted for prepaid and accrued lease liabilities, if applicable, and without regard to initial direct costs incurred on the inception of leases. Comparative information has not been restated and continues to be reported under IAS 17, Leases, and IFRIC 4, Determining Whether an Arrangement Contains a Lease.

Prior to April 1, 2019, leases are classified as either finance or operating in nature. Finance leases are those which substantially transfer the benefits and risks of ownership to the Company. Assets acquired under finance leases are depreciated at the same rates as those described under Equipment in Note 2. Obligations recorded under finance leases are reduced by the principal portion of lease payments. The imputed interest portion of lease payments is charged to finance costs. Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share options, and warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below.

Deferred tax assets

The assessment of the probability of future taxable income against which deferred tax assets can be utilized is based on the Company's estimates of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances (see Note 21). Management believes that, at March 31, 2021, it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

Determination of functional currency

In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", management determined that the functional currency of the Company is the Canadian dollar as this is the currency of the primary economic environments in which the entity operate.

Going concern determination

The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming year requires significant judgment based on past experience and other assumptions including the probability that future events are considered reasonable according to the circumstances.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Critical accounting estimates and judgments (continued)

Estimates

Since a precise determination of many assets and liabilities is dependent upon future events, 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 the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. Significant estimates made by management affecting our consolidated financial statements include, but are not limited to, the following:

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock options, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 10.

3. NEW ACCOUNTING STANDARDS

New accounting standards not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after April 1, 2022. The Company does not expect that any new or amended standards or interpretations that are effective for annual periods beginning on or after April 1, 2022 will have a significant impact on the Company's results of operations or financial position.

(Expressed in Canadian Dollars)

4. EQUIPMENT AND RIGHT OF USE ASSET

	Office equipment	Computer equipment	Field equipment	Vehicle	Right of use asset	Total
Cost						
As at March 31, 2020	$ 21,921	$ 23,260	$ 18,337,981	$ 2,185,061	$ 138,210	**$ 20,706,433**
Additions	-	-	596,540	-	-	**596,540**
Disposition of controlling interest	(22,011)	-	(19,024,107)	(2,194,010)	-	**(21,240,128)**
Effect of movements in exchange rates	90	-	89,586	8,949	-	**98,624**
Balance as at March 31, 2021	**$ 0**	**$ 23,260**	**$ -**	**$ -**	**$ 138,210**	**$ 161,470**
Depreciation						
As at March 31, 2020	$ (12,791)	$ (21,409)	$(10,637,799)	$ (586,785)	$ (43,645)	**$(11,302,429)**
Charged for the year	(1,490)	(555)	(1,192,255)	(158,422)	(43,645)	**(1,396,367)**
Disposition of controlling interest	14,353	-	11,889,129	749,670	-	**12,653,152**
Effect of movements in exchange rates	(72)	-	(59,075)	(4,463)	-	**(63,610)**
Balance as at March 31, 2021	**$ 0**	**$ (21,964)**	**$ -**	**$ -**	**$ (87,290)**	**$ (109,254)**
Net book value						
As at March 31, 2020	$ 9,130	$ 1,851	$ 7,700,182	$ 1,598,276	$ 94,565	$ 9,404,004
As at March 31, 2021	**$ 0**	**$ 1,296**	**$ -**	**$ -**	**$ 50,920**	**$ 52,216**

	Office equipment	Computer equipment	Field equipment	Vehicle	Right of use asset	Total
Cost						
As at March 31, 2021	$ -	$ 23,260	$ -	$ -	$ 138,210	**$ 161,470**
Balance as at March 31, 2022	**$ -**	**$ 23,260**	**$ -**	**$ -**	**$ 138,210**	**$ 161,470**
Depreciation						
As at March 31, 2021	$ -	$ (21,964)	$ -	$ -	$ (87,290)	**$ (109,254)**
Charged for the year	-	(389)	-	-	(43,644)	**(44,033)**
Balance as at March 31, 2022	**$ -**	**$ (22,353)**	**$ -**	**$ -**	**$ (130,934)**	**$ (153,287)**
Net book value						
As at March 31, 2021	$ -	$ 1,296	$ -	$ -	$ 50,920	$ 52,216
As at March 31, 2022	**$ -**	**$ 907**	**$ -**	**$ -**	**$ 7,276**	**$ 8,183**

During the year ended March 31, 2021, the Company charged $1,396,367 in depreciation expense of which $44,200 was charged to statement of loss and comprehensive loss and $1,352,167 was capitalized as development assets. Upon disposition of controlling interest in Hudson Greenland, the Company has deconsolidated the Subsidiary’s assets and liabilities from the date on which the control ceased (see note 6).

(Expressed in Canadian Dollars)

5. RESOURCE PROPERTIES

The Company currently has two Exploration Licenses ("EL") in Greenland.

The Sarfartoq EL (2020/32), an exploration stage property was reacquired by the Company, under a new EL at the end of the fiscal 2020 year.

The Company acquired another exploration property, EL (2021/56) with license M-306 located near Nuuk in West Greenland during the year ended March 31, 2022.

	Sarfartoq Mineral Claim	EL 2021/56 Mineral Claim	Total
Acquisition costs / license fees			
Balance as at March 31, 2021	**$ 6,253**	**$ -**	**$ 6,253**
Additions	993	6,380	**7,373**
Balance as at March 31, 2022	**$ 7,246**	**$ 6,380**	**$ 13,626**

The minimum work commitment expenditures on the Sarfartoq EL is approximately $60,000 per annum. Due to COVID-19, the Greenland government has also waived all work commitments for the calendar year 2021.

6. INVESTMENT IN ASSOCIATE

Debt restructuring in Hudson Greenland A/S

On September 23, 2020, the Company announced it has closed its debt restructuring transaction (the "Transaction") with its existing lenders, Cordiant Capital Inc. and its affiliates, and Romeo Fund – Flexi and its affiliates (together, the "Lenders") after receiving shareholder approval and approval from the Government of Greenland.

Pursuant to the Transaction, the Company cancelled the inter-company debt owed by the Company's subsidiary, Hudson Greenland A/S ("Hudson Greenland" or the "Subsidiary"), to the Company and converted approximately US$13.7 million (CA$18.4 million), of the then existing debt of US$43 million (CA$58.6 million) owed to the Lenders pursuant to existing loan facilities, into preferred shares of Hudson Greenland, thereby reducing the Company's interest payments substantially. The conversion of the debt into preferred shares of Hudson Greenland pursuant to the Transaction resulted in the Lenders holding approximately 68.9% of Hudson Greenland and the remaining 31.1% by the Company. Additionally, the Lenders were granted the right to each nominate one director to the Hudson Greenland board, which comprises two of the four board members (one of which being appointed to Chairman of the board), with Hudson retaining one member, and the fourth member being the incumbent from Greenland Venture A/S, an investment company owned by the Greenland Government.

Hudson Greenland also issued a convertible debenture (the "Debenture") in the amount of US$10 million (CA$13.3 million) to the Lenders to provide funding directly into Hudson Greenland to ensure sufficient working capital to get the White Mountain anorthosite mine back into operation. The Debenture has a maturity date of five years from the date of issuance and are convertible into preferred shares in the capital of Hudson Greenland. The Debenture does not bear interest and will not confer voting rights on the Lenders until conversion of the Debenture, in accordance with its terms. The Debenture may be repaid based on 200% of its face value at any time to the date of maturity.

6. INVESTMENT IN ASSOCIATE (CONTINUED)

Debt restructuring in Hudson Greenland A/S (continued)

Proceeds of the Debenture are being used by Hudson Greenland for working capital purposes to put the White Mountain mine back into production and general corporate purposes, as approved by Hudson Greenland's board of directors. The Company retains back-in rights to redeem the preferred shares and repay the Debenture from the above transactions to regain 100% interest of the White Mountain Project over the next five years.

Through a separate services arrangement, the Company provided operational, logistical, sales and marketing support to Hudson Greenland related to all White Mountain anorthosite operations. This arrangement covers the majority of Hudson's management and operating costs.

Significant judgements and assumptions

Upon completion of the Transaction, the Company held 100% of the common shares and 31.1% of the voting rights in Hudson Greenland, and the Lenders held 100% of the voting preferred shares and 68.9% of the voting rights. The Company has appointed one and the Lenders have appointed two (including the Chairman of the Board) of Hudson Greenland's Board of Directors out of a total of four. In the event of a tie with decisions to be voted upon within Hudson Greenland, the Chairman of the Hudson Greenland Board of Directors shall cast the deciding vote in such situations.

Management has reassessed its involvement in Hudson Greenland in accordance with IFRS 10's control definition and guidance and concluded that it no longer has outright control but has retained significant influence. In making this judgement, management considered the Company's relative size of voting rights and the Lenders' decision-making ability on the Board of Directors. Accordingly, Hudson Greenland has been deconsolidated as at the Transaction date when control ceased, and the Company commenced application of the equity method of accounting for Hudson Greenland and recognized its investment in associate at its fair value as of the date of the Transaction.

Subsequent to the completion of the Transaction, the management of Hudson Greenland determined that the White Mountain project has entered commercial production stage. Accordingly, Hudson Greenland then stopped capitalizing its costs associated with the project and commenced expensing such costs directly in its statement of loss.

(Expressed in Canadian Dollars)

6. INVESTMENT IN ASSOCIATE (CONTINUED)

Loss of control over subsidiary during the reporting period

On September 22, 2020, the Company disposed of a controlling interest in its Greenlandic subsidiary, Hudson Greenland and recorded a net gain of $370,781 on the disposition consisting of both a gain on disposition upon debt restructuring and a loss on the retained investment.

The Company recorded the following gain on disposition upon the debt restructuring.

		September 22, 2020
Cash	$	1,228,413
Inventory		995,502
Other current assets		251,465
Total current assets		2,475,380
Reclamation bond		1,048,119
Equipment		8,586,976
Development assets		57,666,623
Total assets		69,777,098
Accounts payable and accrued liabilities		(10,306,441)
Borrowings		(48,993,375)
Total current liabilities		(59,299,816)
Due to parent		(31,166,369)
Other provisions		(2,435,705)
Total liabilities		(92,901,890)
Total net liabilities		(23,124,792)
Net cash consideration	$	-
Total net liabilities		(23,124,792)
Gain on disposition upon debt restructuring	**$**	**23,124,792**

As part of the Transaction, the Company retained a 31.1% interest in Hudson Greenland and recorded a loss on the retained investment based on its fair value at the date when control was lost. Fair value, under IFRS 13 Fair Value Measurement, is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and is also referred to as an exit price.

Fair value of retained investment	$	8,226,301
Carrying value of investment		(30,980,312)
Loss on retained investment	**$**	**(22,754,011)**

The net gain on disposition of controlling interest is summarized below:

Gain on disposition upon debt restructuring	$	23,124,792
Loss on retained investment		(22,754,011)
Net gain on disposition of controlling interest	**$**	**370,781**

(Expressed in Canadian Dollars)

6. INVESTMENT IN ASSOCIATE (CONTINUED)

Commitments

Hudson Greenland has certain contractual commitments relating to its own liabilities, including the reclamation bond, capital leases, and short term and long term loans payable. Hudson Greenland's assets have been pledged as security for its credit facility arrangements. The Company has not provided any commitments or guarantees relating to these liabilities of Hudson Greenland except for the pledge of its ownership of common shares of Hudson Greenland to the Lenders as part of Hudosn Greenland's loan agreements.

Equity Basis of Accounting

The Company has recorded the following losses associated with its investment in Hudson Greenland.

		March 31, 2022		March 31, 2021
As at March 31, 2021	$	4,725,709	$	-
Recognition of fair value of investment in associate upon disposition of controlling interest		-		8,226,301
Share of loss from equity accounted investments		(4,725,709)		(3,500,592)
Balance as at March 31, 2022	**$**	**-**	**$**	**4,725,709**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are broken down as follows:

		March 31, 2022		March 31, 2021
Trade payables	$	50,236	$	1,646
Lease obligations - current portion (see note 9)		8,573		47,995
Accrued liabilities		685,581		366,347
	$	**744,390**	**$**	**415,988**

Upon disposition of controlling interest in Hudson Greenland, the Company has deconsolidated the Subsidiary's assets and liabilities from the date on which the control ceased (see note 6).

8. NOTES PAYABLE

During October and November 2021, the Company received unsecured advances totaling $125,000 from the members of its board of directors (Note 11). Total proceeds of the advance were used for working capital purposes. The unsecured advances were for a term of three months bearing interest at 12% per annum.

The Company's notes payable balance as of March 31, 2022 and 2021 are as follow:

Balance as at March 31, 2021	**$**	**-**
Additions		125,000
Interest expense		6,354
Balance as at March 31, 2022	**$**	**131,354**

9. LEASE OBLIGATIONS

Upon disposition of controlling interest in Hudson Greenland, the Company has deconsolidated the Subsidiary's assets and liabilities from the date on which the control ceased (see note 6).

		DKK denominated In DKK	DKK denominated in CAD	CAD Denominated	Total CAD
Balance as at March 31, 2020	(1)	**3,033,009**	**633,198**	**$ 99,160**	**$ 732,358**
Interest		50,321	10,415	9,607	20,022
Principal payments		(513,234)	(106,233)	(52,199)	(158,432)
Effect of movements in exchange rates		-	1,374	-	1,374
Total lease obligations		2,570,096	538,754	56,568	595,322
Disposition of controlling interest		(2,570,096)	(538,754)	-	(538,754)
Less: current portion in accrued liabilities (Note 9)		-	-	(47,995)	(47,995)
Balance as at March 31, 2021		**-**	**$ -**	**$ 8,573**	**$ 8,573**

	Total CAD
Balance as at March 31, 2021	**$ 56,568**
Interest	4,205
Principal payments	(52,200)
Total lease obligations	8,573
Less: current portion in accrued liabilities (Note 7)	(8,573)
Balance as at March 31, 2022	**$ -**

(1) Obligations under capital lease for vehicles with interest at a rate of 3.87%, maturing on December 31, 2022

Future minimum lease payments, including principal and interest, under the capital leases for subsequent years are as follows:

	Total
2023	**$ 8,700**

10. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

As at March 31, 2022 and 2021, the Company had 178,409,205 common shares issued and outstanding. There were no shares issued for the year ended March 31, 2022, and 16,500 stock options with an exercise price of $0.15 were exercised for gross proceeds of $2,475 in the year ended March 31, 2021.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (CONTINUED)

c) Share purchase warrants

The changes in warrants during the Year ended March 31, 2022, are as follow:

	March 31, 2022			March 31, 2021		
	Number outstanding		**Weighted average exercise price**	Number outstanding		Weighted average exercise price
Outstanding, beginning of year	**23,391,416**	**$**	**0.66**	52,791,416	$	0.50
Expired	**(20,541,416)**		**0.75**	(29,400,000)		0.33
Outstanding, end of year	**2,850,000**	**$**	**0.45**	23,391,416	$	0.66

For the year ended March 31, 2022

- 9,615,805 share purchase warrants and 10,921,611 share purchase warrants, all with an exercise price of $0.75, expired without exercise in May and June 2021 respectively.

For the year ended March 31, 2021

- 29,400,000 share purchase warrants with an exercise price of $0.325 expired without exercise in December 2020.

The following summarizes information about the share purchase warrants outstanding as at March 31, 2022:

Expiry date	**Warrants outstanding**		**Exercise price**	**Weighted average remaining contractual life (in years)**
May 23, 2024	2,850,000	$	0.45	2.15
	2,850,000			**2.15**

d) Stock options

The Company has a stock option plan whereby the maximum number of shares reserved for issue shall not exceed 10% of the issued and outstanding common shares of the Company as at the date of the grant. The maximum number of common shares reserved for issue to any one optionee under the plan cannot exceed 5% of the total issued and outstanding number of common shares on a non-diluted basis. The maximum number of common shares reserved for issue to any insiders as a group shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis. The maximum number of common shares reserved for issue to any one consultant shall not exceed 2% of the total number of issued and outstanding shares on a non-diluted basis. The maximum number of common shares reserved for issue to all eligible persons who undertake investor relation activities shall not exceed 2% in the aggregate of the total number of issued and outstanding shares on a non-diluted basis. The Company has granted directors, officers and consultants common share purchase options ("Options"). These Options are granted with an exercise price equal to no less than the closing market price of the Company's shares prevailing on the day that the Option is granted. Options may have a maximum term of ten years. Under the stock option plan, the Board of Directors can determine vesting periods for Options granted.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (CONTINUED)

d) Stock options (continued)

The changes in stock options during years ended March 31, 2022 and 2021 are as follow:

	March 31, 2022			March 31, 2021		
	Number outstanding		**average exercise price**	Number outstanding		average exercise price
Outstanding, beginning of year	**11,470,000**	**$**	**0.33**	10,790,000	$	0.46
Granted	-	**$**	-	5,180,000	$	0.19
Exercised	-	**$**	-	(16,500)	$	0.15
Expired	**(1,860,000)**	**$**	**0.38**	(2,600,000)	$	0.50
Cancelled	**(660,000)**	**$**	**0.32**	(1,883,500)	$	0.45
Outstanding, end of year	**8,950,000**	**$**	**0.33**	11,470,000	$	0.33

For the Year ended March 31, 2022

- 660,000 stock options with exercise price ranging from $0.15 to $0.65 were cancelled during the current period.
- 1,860,000 options with an exercise price of $0.38 expired in January 2022 without exercise.

For the Year ended March 31, 2021

- 1,883,500 stock options with exercise price ranging from $0.15 to $0.47 were cancelled during the year.
- 16,500 stock options with an exercise price of $0.15 were exercised for gross proceeds of $2,475 in December 2020.
- On November 10, 2020, the Company granted 900,000 options with an exercise price of $0.40 to its new directors. The options are exercisable for a period of five years. One-third vested on the date of grant and one-third will vest on each of the first and second anniversary of the date of grant.
- On August 10, 2020, the Company granted 4,280,000 options with an exercise price of $0.15 to its then directors, officers, employees and consultants. The options are exercisable for a period of five years. One-third vested on the date of grant and one-third will vest on each of the first and second anniversary of the date of grant.
- 2,600,000 options with an exercise price of $0.50 expired in September 2020 without exercise.
- On August 10, 2020, the Company granted 4,280,000 options with an exercise price of $0.15 to its then directors, officers, employees and consultants. The options are exercisable for a period of five years. One-third vested on the date of grant and one-third will vest on each of the first and second anniversary of the date of grant.
- 30,000 stock options with an exercise price of $0.45 were cancelled in April 2020.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (CONTINUED)

d) Stock options (continued)

The following summarizes information about Options outstanding and exercisable at March 31, 2022:

Expiry date	Options outstanding	Options exercisable	Exercise price	Estimated grant date fair value	Weighted average remaining contractual life (in years)
June 28, 2023	3,580,000	3,580,000	$ 0.47	$ 775,367	1.24
February 20, 2024	830,000	830,000	$ 0.45	$ 380,123	1.89
August 10, 2025	3,640,000	2,433,100	$ 0.15	$ 179,955	3.36
November 10, 2025	900,000	600,000	$ 0.40	$ 161,171	3.62
	8,950,000	**7,443,100**	**$ 0.33**	**$ 1,496,616**	**2.41**

The estimated grant date fair value of the options granted during the Year ended March 31, 2021 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Share price at the grant date	N/A	$ 0.15
Risk-free interest rate	N/A	0.29%
Expected annual volatility	N/A	63.74%
Expected life	N/A	5.00
Expected dividend yield	N/A	-
Grant date fair value per option	N/A	$ 0.07

During the year ended March 31, 2022, the Company recognized share-based payments expense of $118,673 (2021 – 300,605) from stock options.

e) Reserves

Additional paid-in capital

Additional paid-in capital records the fair value of the expired options and warrants initially recorded in stock options reserve or warrants reserve.

Stock options reserve

The stock options reserve records items recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded is transferred to additional paid-in capital.

Warrants reserve

The warrants reserve records the fair value of the warrants issued until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount recorded is transferred to additional paid-in capital.

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS AND BALANCES

a) Related party balances

The total balance due to related parties included in accounts payable and accrued liabilities was $655,583 for directors' fees and unpaid personnel costs as at March 31, 2022 (2021 – $264,583). These amounts are unsecured and non-interest bearing. The notes payable balance due to the members of the Company's board of directors was $131,354 (see note 8) as at March 31, 2022 (2021 - $nil).

b) Key management personnel compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. Key management personnel compensation is comprised of:

`	For the year ended	
	March 31, 2022	March 31, 2021
Short-term employee benefits - personnel costs	**$ 508,333**	$ 572,667
Short-term employee benefits - directors' fees	**96,000**	121,667
Share-based payments	**94,172**	248,006
	$ 698,506	$ 942,340

12. COMMITMENTS

	Total	2023	2024	2025	2026	2027 and thereafter
Lease from right of use asset	$ 8,700	$ 8,700	$ -	$ -	$ -	$ -
	$ 8,700	**$ 8,700**	**$ -**	**$ -**	**$ -**	**$ -**

13. SEGMENTED INFORMATION

The Company has one operating segment: the exploration and evaluation, and development of resource properties in Greenland. The Company's assets are located in the following geographic areas:

	Canada	Greenland	Total
As at March 31, 2021			
Equipment and right of use asset	**$ 52,216**	**$ -**	**$ 52,216**
Resource properties	-	6,253	**6,253**
Investment in associate	-	4,725,709	**4,725,709**
	$ 52,216	**$ 4,731,962**	**$ 4,784,178**
As at March 31, 2022			
Equipment and right of use asset	**$ 8,183**	**$ -**	**$ 8,183**
Resource properties	-	13,626	**13,626**
	$ 8,183	**$ 13,626**	**$ 21,809**

Upon disposition of controlling interest in Hudson Greenland, the Company has deconsolidated the Subsidiary's assets and liabilities from the date on which the control ceased (see note 6).

(Expressed in Canadian Dollars)

14. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future development activities. The Board of Directors does not establish quantitative returns on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

In order to further exploration and development activities, the Company will spend its existing working capital and raise additional funds, if required. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the Year ended March 31, 2022.

15. FINANCIAL INSTRUMENTS

a) Fair value

Financial assets and liabilities that are recognized on the statement of financial position at fair value follow in a hierarchy that is based on the significance of the inputs used in making the measurements. The levels in the hierarchy are:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	March 31, 2022		March 31, 2021	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets:				
Amortized cost				
Cash	**$ 21,018**	**$ 21,018**	$ 121,544	$ 121,544
Sales tax and other receivables	**11,605**	**11,605**	37,258	37,258
Deposits	**6,993**	**6,993**	6,993	6,993
	$ 39,616	**$ 39,616**	$ 165,795	$ 165,795
Financial liabilities:				
Amortized cost				
Accounts payable and accrued liabilities	**$ 762,307**	**$ 762,307**	$ 415,988	$ 415,988
Lease obligations	**-**	**-**	8,573	8,573
	$ 893,661	**$ 893,661**	$ 424,561	$ 424,561

The carrying values of the Company's financial assets and liabilities are considered to be a reasonable approximation of fair value due to the short-term nature of these instruments. There are no financial instruments recorded at fair value through profit or loss (FVTPL) on the statements of financial position.

Upon disposition of controlling interest in Hudson Greenland, the Company has deconsolidated the Subsidiary's assets and liabilities from the date on which the control ceased (see note 6).

15. FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and sales tax and other receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at March 31, 2022, the Company's maximum exposure to credit risk is the carrying value of its financial assets.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

As at March 31, 2022, the Company had cash of $21,018 in order to meet short-term business requirements and accounts payable and accrued liabilities of $762,307. All accounts payable and accrued liabilities are current liabilities. The Company also has notes payable of $131,354 included in its current liabilities.

Upon disposition of controlling interest in the Company's subsidiary, the Company has deconsolidated the subsidiary's assets and liabilities from the date on which the control ceased (see note 6).

Market Risk

The significant market risks to which the Company is exposed are interest rate risk and currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash are held mainly in high yield saving accounts and term deposits and therefore there is currently minimal interest rate risk. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as at March 31, 2022 and 2021.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk, financial market risk, or currency risk. The Company is not exposed to significant other price risk.

15. FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management (continued)

Currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

Prior to the disposition of controlling interest, the Company's cash, restricted cash, deposits, accounts payable and accrued liabilities, loan payable, and note payable were held in CAD, USD, and DKK; therefore, the USD, and DKK accounts are subject to fluctuation against the Canadian dollar. Subsequent to the Company's disposition of controlling interest in its subsidiary and as at March 31, 2022, the Company's cash, sales tax and other receivables, accounts payable and accrued liabilities, and notes payable are all denominated in CAD.

16. INCOME TAXES

The reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is as follows:

	2022	2021
Loss before income taxes	**$(5,462,392)**	**$(4,874,119)**
Expected income tax recovery	(1,476,000)	(1,317,000)
(Increase) decrease in income tax recovery resulting from:		
Impact of foreign tax rates, changes in unrecognized deferred tax assets and other	(10,000)	(31,000)
Impact of loss in controlling interest	-	2,232,000
Change in unrecognized deferred tax assets	841,000	(1,756,000)
Non-deductible differences	670,000	662,000
Adjustment of prior years' provision versus statutory tax returns and expiry of non-capital losses	(25,000)	210,000
Deferred tax expense (recovery)	$ -	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2021	Expiry Date Range	2021	Expiry Date Range
Temporary Differences				
Resource properties and equipment	$ 13,105,000	No expiry date	$ 13,118,000	No expiry date
Share issuance costs	$ 144,000	2043	$ 288,000	2042 to 2043
Investment in associate	$ 26,488,000	No expiry date	$ 21,762,000	No expiry date
Non-capital losses carried forward	$ 18,408,000	2026 to 2042	$ 17,544,000	2026 to 2041

17. SUBSEQUENT EVENTS

- In May 2022, the Company received unsecured advances totaling $30,000 from the members of its board of directors for working capital purposes. The unsecured advances were for a term of three months bearing interest at 12% per annum.
- In July 2022, the Company received further unsecured advances totaling $40,000 from the members of its board of directors for working capital purposes. The unsecured advances were for a term of three months bearing interest at 12% per annum.