
GREENHAWK RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED
JUNE 30, 2022
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed consolidated interim financial statements of Greenhawk Resources Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

Greenhawk Resources Inc.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at June 30, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash	\$ 5,037,343	\$ 5,692,396
Sales tax receivable	528	488
Prepaid expenses and deposits (note 3)	26,305	43,040
Total current assets	5,064,176	5,735,924
Non-current assets		
Equipment (note 4)	1,757	1,962
Total assets	\$ 5,065,933	\$ 5,737,886
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 12)	\$ 116,631	\$ 65,906
Lease obligations (note 5)	-	14,565
Total liabilities	116,631	80,471
Shareholders' equity		
Share capital (note 7)	100,846,709	100,846,709
Contributed surplus (note 8)	15,328,016	15,328,016
Deficit	(111,225,423)	(110,517,310)
Total shareholders' equity	4,949,302	5,657,415
Total liabilities and shareholders' equity	\$ 5,065,933	\$ 5,737,886

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Nature of Operations (note 1)

Approved on behalf of the Board:

"Greg McKenzie" _____ Director (Signed)

"Tom English" _____ Director (Signed)

Greenhawk Resources Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Expenses				
Exploration and evaluation expenditures (notes 6 & 10)	\$ -	\$ 12,658,000	\$ -	\$ 12,658,000
General and administrative (note 11)	353,291	552,324	701,134	906,841
Stock-based compensation (notes 8 & 12)	-	748,909	-	940,353
Acquisition related costs	-	-	-	115,956
Loss before other items	353,291	13,959,233	701,134	14,621,150
Interest (expense) income, net	-	(2,440)	(6,971)	(288)
Loss on disposal of equipment	-	(31,707)	-	(36,006)
Foreign exchange loss	(3)	(462)	(8)	(462)
Net loss and comprehensive loss for the period	\$ (353,294)	\$ (13,993,842)	\$ (708,113)	\$ (14,657,906)
Loss per share - basic and diluted (note 9)	\$ (0.00)	\$ (0.23)	\$ (0.01)	\$ (0.26)
Weighted average number of shares outstanding				
- basic and diluted (note 9)	86,199,162	62,049,569	86,199,162	55,435,526

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Greenhawk Resources Inc.**Condensed Consolidated Interim Statements of Cash Flows****(Expressed in Canadian Dollars)****(Unaudited)**

	Six Months Ended June 30,	
	2022	2021
Operating activities		
Net loss for the period	\$ (708,113)	\$(14,657,906)
Adjustments for:		
Exploration and evaluation expenditures	-	12,408,000
Depreciation	205	39,258
Loss on disposal of equipment	-	36,006
Stock-based compensation	-	940,353
Interest expense	6,971	6,910
Changes in non-cash working capital items:		
Sales tax receivable	(40)	(126,295)
Prepaid expenses and deposits	16,735	18,983
Accounts payable and accrued liabilities	50,725	(118,097)
Net cash used in operating activities	(633,517)	(1,452,788)
Financing activities		
Lease liability payments	(21,536)	(65,964)
Net cash used in financing activities	(21,536)	(65,964)
Net change in cash	(655,053)	(1,518,752)
Cash, beginning of period	5,692,396	7,677,172
Cash, end of period	\$ 5,037,343	\$ 6,158,420

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Greenhawk Resources Inc.**Condensed Consolidated Interim Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****(Unaudited)**

	Share Capital		Contributed Surplus	Deficit	Total
	Number of Shares	Amount			
Balance, December 31, 2020	48,599,162	\$ 88,438,709	\$ 14,312,982	\$ (94,943,804)	\$ 7,807,887
Acquisition of Copenhagen Minerals Inc.	37,600,000	12,408,000	-	-	12,408,000
Stock-based compensation	-	-	940,353	-	940,353
Net loss for the period	-	-	-	(14,657,906)	(14,657,906)
Balance, June 30, 2021	86,199,162	\$100,846,709	\$ 15,253,335	\$ (109,601,710)	\$ 6,498,334
Balance, December 31, 2021	86,199,162	\$100,846,709	\$ 15,328,016	\$ (110,517,310)	\$ 5,657,415
Net loss for the period	-	-	-	(708,113)	(708,113)
Balance, June 30, 2022	86,199,162	\$100,846,709	\$ 15,328,016	\$ (111,225,423)	\$ 4,949,302

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Greenhawk Resources Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

1. NATURE OF OPERATIONS

Greenhawk Resources Inc. (the "Company" or "Greenhawk"), is a mineral exploration mining company who has activities in Greenland. The common shares trade on the Canadian Stock Exchange ("CSE") under the symbol "GRHK".

The head office and registered record office is located at 22 Adelaide Street West, Suite 2020, Toronto, Ontario, M5H 4E3.

On May 28, 2021, the Company acquired 100% of the outstanding shares of the wholly-owned subsidiary, Copenhagen Minerals Inc. ("Copenhagen"), which owns a 100% legal and beneficial interest in two mineral exploration licenses and one prospecting license in Greenland known as the Storø Gold Project. Consideration for the transaction was satisfied through the payment of \$250,000 cash and the issuance of 37,600,000 common shares of the Company.

The outbreak of the coronavirus, also known as "COVID-19," has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. The effects that these events will have are highly uncertain and as such, the Company cannot determine the corresponding financial impact at this time.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRSs issued and outstanding as of August 29, 2022, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2021. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2022 could result in restatement of these unaudited condensed consolidated interim financial statements.

3. PREPAID EXPENSES AND DEPOSITS

	As at June 30, 2022	As at December 31, 2021
Prepaid expenses	\$ 26,305	\$ 27,044
Vendor deposits	-	15,996
	\$ 26,305	\$ 43,040

Greenhawk Resources Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

4. EQUIPMENT

Cost	Office Equipment
Balance, December 31, 2021 and June 30, 2022	\$ 2,050
Accumulated Amortization	
Balance, December 31, 2021	\$ 88
Amortization	205
Balance, June 30, 2022	\$ 293
Net Book Value	
Balance, December 31, 2021	\$ 1,962
Balance, June 30, 2022	\$ 1,757

5. LEASE OBLIGATIONS

The following table details the movement in the Company's lease liability:

Balance, December 31, 2021	\$ 14,565
Interest expense	6,971
Lease payments	(21,536)
Balance, June 30, 2022	\$ -

6. ACQUISITION OF COPENHAGEN MINERALS INC.

In January 2021, the Company and Greenland Resources Inc. ("Greenland") entered into a Share Purchase Agreement (the "Agreement"). In May 2021, the Agreement was amended whereby the Company acquired all of the issued and outstanding shares of Copenhagen Minerals Inc., a subsidiary of Greenland, with a cash payment of \$250,000 and the issuance of 37,600,000 common shares of the Company.

At the time of the acquisition, Copenhagen Minerals Inc. was a non-operating entity and did not meet the definition of a business under IFRS 3, and the acquisition was accounted for as an asset acquisition. The consideration was determined as an equity-settled share-based payment under IFRS 2.

The acquisition has been measured using the fair value of the consideration transferred.

The total consideration is set out as follows:

Consideration	
Issuance of 37,600,000 common shares (i)	\$ 12,408,000
Cash	250,000
Total Consideration	\$ 12,658,000

(i) The common shares issued were valued at a price of \$0.33 per share based on its trade price at the date of acquisition.

The Company also recorded acquisition related costs of \$115,956 incurred in connection with the acquisition.

Greenhawk Resources Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

7. SHARE CAPITAL

(a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares.

(b) Common shares issued

During the period ended June 30, 2021, Company issued 37,600,000 common shares in connection with the acquisition of Copenhagen Minerals Inc. (note 6)

There were no changes in issued share capital for the period ended June 30, 2022.

8. STOCK OPTIONS

The Company has a stock option plan ("the Plan") under which the Board of Directors may grant to directors, officers, employees and technical consultants to the Company non-transferable options to purchase common shares, exercisable for a period of up to 5 years from the date of grant.

The following table reflects the continuity of stock options for the periods presented:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2020	4,600,000	\$ 0.27
Granted	4,000,000	0.20
Balance, June 30, 2021	8,600,000	\$ 0.24
Balance, December 31, 2021 and June 30, 2022	8,600,000	\$ 0.24

On June 25, 2021, the Company granted 4,000,000 stock options to directors and an officer of the Company exercisable for one common share each at a price of \$0.20 per share for a period of five years. All options granted vested and became exercisable immediately on the grant date.

The weighted average fair value of 4,000,000 options granted in the period ended June 30, 2021 was estimated at \$0.19 by using the Black-Scholes option pricing model with the following weighted average assumptions:

Share price	\$0.20
Risk-free interest rate	0.97%
Dividend yield	0%
Volatility	119.64%
Expected life	5 years

During the three and six months ended June 30, 2022, the Company recorded stock-based compensation expense of \$nil (three and six months ended June 30, 2021 - \$748,909 and \$940,353, respectively) with an offsetting increase to contributed surplus in respect of the stock options granted.

Greenhawk Resources Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

8. STOCK OPTIONS (continued)

The Company had the following stock options outstanding as of June 30, 2022:

Number of Options Outstanding	Number of Options Vested (exercisable)	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Expiry Date
4,600,000	4,600,000	0.27	3.31	October 20, 2025
4,000,000	4,000,000	0.20	3.99	June 24, 2026
8,600,000	8,600,000	0.24	3.62	

9. NET LOSS PER COMMON SHARE

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2022 was based on the loss attributable to common shareholders of \$353,294 and \$708,113, respectively (three and six months ended June 30, 2021 - \$13,993,842 and \$14,657,906, respectively) and the weighted average number of common shares outstanding of 86,199,162 (three and six months ended June 30, 2021 - 62,049,569 and 55,435,526, respectively). Diluted loss per share for the three and six months ended June 30, 2022 did not include the effect of 8,600,000 (three and six months ended June 30, 2021 - 8,600,000) stock options as they are anti-dilutive.

10. EXPLORATION AND EVALUATION EXPENDITURES

As of June 30, 2022, the Company owns a 100% legal and beneficial interest in two mineral exploration licenses and one prospecting license in Greenland known as the Storø Gold Project.

Below is the summary of exploration and evaluation expenditures:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Storø Gold Project				
Acquisition costs	\$ -	\$ 12,658,000	\$ -	\$ 12,658,000

11. EXPENSES CLASSIFIED BY NATURE

Expenses are classified by function on the statement of loss and comprehensive loss and are comprised of general and administrative. Below is a breakdown of general and administrative expenses:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
General and administrative				
Office and administrative (note 12)	\$ 44,142	\$ 98,628	\$ 93,638	\$ 150,928
Legal and professional fees (note 12)	32,871	136,904	81,160	202,334
Consulting fees (note 12)	68,180	253,758	196,770	454,547
Travel and entertainment	4,436	155	4,436	155
Depreciation (note 4)	103	17,987	205	39,258
Salaries (note 12)	191,674	44,892	305,659	59,619
Sales tax expense	11,885	-	19,266	-
	\$ 353,291	\$ 552,324	\$ 701,134	\$ 906,841

Greenhawk Resources Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

12. RELATED-PARTY BALANCES AND TRANSACTIONS

The key management personnel of the Company are certain members of the Company's executive management team and the Board of Directors.

The compensation of such key management for the three and six months ended June 30, 2022 and 2021 included the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Salaries, consulting and director remuneration	\$ 215,930	\$ 298,376	\$ 287,470	\$ 513,614
Office and administrative	2,059	-	8,396	-
Professional fees	11,230	4,102	33,325	4,102
Stock-based compensation expense - directors and officers	-	748,909	-	940,353
	\$ 229,219	\$ 1,051,387	\$ 329,191	\$ 1,458,069

As at June 30, 2022, included in accounts payable and accrued liabilities was \$9,249 (December 31, 2021 - \$61,996) of payments owed to key management personnel.