



Amaroq Minerals Ltd.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2023

*The attached financial statements have been prepared by Management of
Amaroq Minerals Ltd. and have not been reviewed by the auditor*

Amaroq Minerals Ltd.
Consolidated Statements of Financial Position
(Unaudited, in Canadian Dollars)

	Notes	As at March 31, 2023	As at December 31, 2022
		\$	\$
ASSETS			
Current assets			
Cash		46,784,407	50,137,569
Sales tax receivable		79,813	95,890
Prepaid expenses and others		965,534	450,290
Total current assets		47,829,754	50,683,749
Non-current assets			
Deposit		27,944	27,944
Escrow account for environmental monitoring		433,223	427,120
Mineral properties	3	85,579	85,579
Capital assets	4	13,634,093	13,871,669
Total non-current assets		14,180,839	14,412,312
TOTAL ASSETS		62,010,593	65,096,061
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		1,018,351	1,138,961
Lease liabilities – current portion	5	72,836	71,797
Total current liabilities		1,091,187	1,210,758
Non-current liabilities			
Lease liabilities	5	638,664	657,440
Total non-current liabilities		638,664	657,440
Total liabilities		1,729,851	1,868,198
Equity			
Capital stock		131,837,145	131,708,387
Contributed surplus		5,551,879	5,250,865
Accumulated other comprehensive loss		(36,772)	(36,772)
Deficit		(77,071,510)	(73,694,617)
Total equity		60,280,742	63,227,863
TOTAL LIABILITIES AND EQUITY		62,010,593	65,096,061

Subsequent events 9

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

Amaroq Minerals Ltd.
Consolidated Statements of Comprehensive Loss

(Unaudited, in Canadian Dollars)

	Notes	Three months ended March 31,	
		2023	2022
		\$	\$
Expenses			
Exploration and evaluation expenses	7	1,181,653	1,010,330
General and administrative	8	2,577,035	2,988,769
Loss on disposal of capital assets		37,791	-
Foreign exchange loss (gain)		(197,004)	147,188
Operating loss		3,599,475	4,146,287
Other expenses (income)			
Interest income		(231,319)	(20,325)
Finance costs		8,737	9,536
Net loss and comprehensive loss		(3,376,893)	(4,135,498)

Weighted average number of common shares outstanding - basic and diluted	263,203,347	177,098,737
Basic and diluted loss per common share	(0.01)	(0.02)

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

Amaroq Minerals Ltd.
Consolidated Statements of Changes in Equity
(Unaudited, in Canadian Dollars)

	Number of common shares outstanding	Capital Stock \$	Contributed surplus \$	Accumulated other comprehensive loss \$	Deficit \$	Total Equity \$
Balance at January 1, 2022	177,098,737	88,500,205	3,300,723	(36,772)	(51,795,654)	39,968,502
Net loss and comprehensive loss	-	-	-	-	(4,135,498)	(4,135,498)
Stock-based compensation	-	-	1,443,862	-	-	1,443,862
Balance at March 31, 2022	177,098,737	88,500,205	4,744,585	(36,772)	(55,931,152)	37,276,866
Balance at January 1, 2023	263,073,022	131,708,387	5,250,865	(36,772)	(73,694,617)	63,227,863
Net loss and comprehensive loss	-	-	-	-	(3,376,893)	(3,376,893)
Options exercised	208,275	128,758	(150,000)	-	-	(21,242)
Stock-based compensation	6	-	451,014	-	-	451,014
Balance at March 31, 2023	263,281,297	131,837,145	5,551,879	(36,772)	(77,071,510)	60,280,742

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

Amaroq Minerals Ltd.
Consolidated Statements of Cash Flows
(Unaudited, in Canadian Dollars)

	Notes	Three months ended March 31,	
		2023	2022
		\$	\$
Operating activities			
Net loss for the period		(3,376,893)	(4,135,498)
Adjustments for:			
Depreciation	4	199,785	203,970
Stock-based compensation	6	451,014	1,443,862
Loss on disposal of capital assets		37,791	-
Other expenses		8,737	9,048
Foreign exchange		(216,560)	145,361
		(2,896,126)	(2,333,257)
Changes in non-cash working capital items:			
Sales tax receivable		16,076	15,196
Prepaid expenses and others		(515,244)	106,984
Trade and other payables		(127,977)	(905,619)
		(627,145)	(783,439)
Cash flow used in operating activities		(3,523,271)	(3,116,696)
Investing activities			
Acquisition of capital assets	4	-	(247,834)
Cash flow used in investing activities		-	(247,834)
Financing activities			
Principal repayment – lease liabilities	5	(26,474)	(5,550)
Cash flow from financing activities		(26,474)	(5,550)
Net change in cash before effects of exchange rate changes on cash during the period		(3,549,745)	(3,370,080)
Effects of exchange rate changes on cash		196,583	(130,938)
Net change in cash during the period		(3,353,162)	(3,501,018)
Cash, beginning of period		50,137,569	27,324,459
Cash, end of period		46,784,407	23,823,441
Supplemental cash flow information			
Interest received		231,319	20,325
Additions in capital assets included in trade and other payables		-	48,290

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

Amaroq Minerals Ltd.
Condensed Notes to the interim Consolidated Financial Statements
Three months ended March 31, 2023 and 2022
(Unaudited, in Canadian Dollars)

1. NATURE OF OPERATIONS, BASIS OF PRESENTATION

Amaroq Minerals Ltd. (the "Corporation") was incorporated on February 22, 2017 under the *Canada Business Corporations Act*. The Corporation's head office is situated at 3400, One First Canadian Place, P.O. Box 130, Toronto, Ontario, M5X 1A4, Canada. The Corporation operates in one industry segment, being the acquisition, exploration and development of mineral properties. It owns interests in properties located in Greenland. The Corporation's financial year ends on December 31. Since July 2017, the Corporation's shares are listed on the TSX Venture Exchange (the "TSX-V"), since July 2020, the Corporation's shares are also listed on the AIM market of the London Stock Exchange ("AIM") and from November 1, 2022, on Nasdaq First North Growth Market Iceland ("Nasdaq") under the AMRQ ticker.

These unaudited condensed interim consolidated financial statements for the three months ended March 31, 2023 ("Financial Statements") were approved by the Board of Directors on May 25, 2023.

1.1 Basis of presentation and consolidation

The Financial Statements include the accounts of the Corporation and those of its subsidiaries Nalunaq A/S and Gardaq A/S, corporations incorporated under the *Greenland Public Companies Act*, owned at 100%.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") including International Accounting Standard ("IAS") 34, Interim Financial Reporting. The Financial Statements have been prepared under the historical cost convention.

The Financial Statements should be read in conjunction with the annual financial statements for the year ended December 31, 2022 which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in these Financial Statements are consistent with those of the previous financial year ended December 31, 2022.

2. CRITICAL ACCOUNTING JUDGMENTS AND ASSUMPTIONS

The preparation of the Financial Statements requires Management to make judgments and form assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. On an ongoing basis, Management evaluates its judgments in relation to assets, liabilities and expenses. Management uses past experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments. Actual outcomes may differ from these estimates under different assumptions and conditions.

In preparing the Financial Statements, the significant judgements made by Management in applying the Corporation accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Corporation's audited annual financial statements for the year ended December 31, 2022. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Amaroq Minerals Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2023 and 2022

(Unaudited, in Canadian Dollars)

3. MINERAL PROPERTIES

	As at December 31, 2022	Additions	As at March 31, 2023
	\$	\$	\$
Nalunaq - Au	1	-	1
Tartoq - Au	18,431	-	18,431
Vagar - Au	11,103	-	11,103
Nuna Nutaaq - Au	6,076	-	6,076
Anoritooq - Au	6,389	-	6,389
Siku - Au	6,821	-	6,821
Naalagaaffiup Portornga - Strategic Minerals	6,334	-	6,334
Saarloq - Strategic Minerals	7,348	-	7,348
Sava - Strategic Minerals	6,562	-	6,562
Kobberminebugt - Strategic Minerals	6,840	-	6,840
Stendalen - Strategic Minerals	4,837	-	4,837
North Sava - Strategic Minerals	4,837	-	4,837
Total mineral properties	85,579	-	85,579

	As at December 31, 2021	Additions	As at December 31, 2022
	\$	\$	\$
Nalunaq - Au	1	-	1
Tartoq - Au	18,431	-	18,431
Vagar - Au	11,103	-	11,103
Nuna Nutaaq - Au	6,076	-	6,076
Anoritooq - Au	6,389	-	6,389
Siku - Au	-	6,821	6,821
Naalagaaffiup Portornga - Strategic Minerals	6,334	-	6,334
Saarloq - Strategic Minerals	7,348	-	7,348
Sava - Strategic Minerals	6,562	-	6,562
Kobberminebugt - Strategic Minerals	-	6,840	6,840
Stendalen - Strategic Minerals	-	4,837	4,837
North Sava - Strategic Minerals	-	4,837	4,837
Total mineral properties	62,244	23,335	85,579

4. CAPITAL ASSETS

	Field equipment and infrastruc- ture \$	Vehicles and rolling stock \$	Equipment (including software) \$	Construc- tion In Progress \$	Right-of- use assets \$	Total \$
Three months ended						
March 31, 2023						
Opening net book value	1,735,752	3,742,384	216,385	7,522,085	655,063	13,871,669
Disposals	-	-	(37,791)	-	-	(37,791)
Depreciation	(49,594)	(107,571)	(22,843)	-	(19,777)	(199,785)
Closing net book value	1,686,158	3,634,813	155,751	7,522,085	635,286	13,634,093

Amaroq Minerals Ltd.
Condensed Notes to the interim Consolidated Financial Statements
Three months ended March 31, 2023 and 2022
(Unaudited, in Canadian Dollars)

4. CAPITAL ASSETS (CONT'D)

	Field equipment and infrastruc- ture \$	Vehicles and rolling stock \$	Equipment (including software) \$	Construc- tion In Progress \$	Right-of- use assets \$	Total \$
As at March 31, 2023						
Cost	2,351,041	4,466,971	232,231	7,522,085	735,270	15,307,598
Accumulated depreciation	(664,883)	(832,158)	(76,480)	-	(99,984)	(1,673,505)
Closing net book value	1,686,158	3,634,813	155,751	7,522,085	635,286	13,634,093

Depreciation of capital assets related to exploration and evaluation properties is being recorded in exploration and evaluation expenses in the consolidated statement of comprehensive loss, under depreciation. Depreciation of \$164,011 (\$181,833 for the three months ended March 31, 2022) was expensed as exploration and evaluation expenses during the three months ended March 31, 2023.

As of March 31, 2023, the amount of \$7,522,085 of construction in progress is related to equipment and infrastructure received or in storage and which will be installed at the appropriate time. Equipment and infrastructure include process plant components that are not yet available for use.

5. LEASE LIABILITIES

	As at March 31 2023
	\$
Balance beginning	729,237
Principal repayment	(17,737)
Balance ending	711,500
Non-current portion – lease liabilities	(638,664)
Current portion – lease liabilities	72,836

The Corporation has one lease for its office. In October 2020, the Corporation started the lease for five years and five months including five free rent months during this period. The monthly rent is \$8,825 until March 2024 and \$9,070 for the balance of the lease. The Corporation has the option to renew the lease for an additional five-year period at \$9,070 monthly rent indexed annually to the increase of the consumer price index of the previous year for the Montreal area.

Amaroq Minerals Ltd.
Condensed Notes to the interim Consolidated Financial Statements
Three months ended March 31, 2023 and 2022
(Unaudited, in Canadian Dollars)

6. STOCK-BASED COMPENSATION

6.1 Stock options

An incentive stock option plan (the “Plan”) was approved initially in 2017 and renewed by shareholders on June 16, 2022. The Plan is a “rolling” plan whereby a maximum of 10% of the issued shares at the time of the grant are reserved for issue under the Plan to executive officers, directors, employees and consultants. The Board of directors grants the stock options and the exercise price of the options shall not be less than the closing price on the last trading day, preceding the grant date. The options have a maximum term of ten years. Options granted pursuant to the Plan shall vest and become exercisable at such time or times as may be determined by the Board, except options granted to consultants providing investor relations activities shall vest in stages over a 12-month period with a maximum of one-quarter of the options vesting in any three-month period. The Corporation has no legal or constructive obligation to repurchase or settle the options in cash.

Changes in stock options are as follows:

	Three months ended March 31, 2023	
	Number of options	Weighted average exercise price
		\$
Balance, beginning	10,717,395	0.57
Exercised	(600,000)	0.43
Balance, end	10,117,395	0.58
Balance, end exercisable	10,084,062	0.58

Stock options outstanding and exercisable as at March 31, 2023 are as follows:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		\$	
910,000	910,000	0.45	August 22, 2023
1,670,000	1,670,000	0.38	December 31, 2025
100,000	66,667	0.50	September 13, 2026
1,495,000	1,495,000	0.70	December 31, 2026
3,600,000	3,600,000	0.60	January 17, 2027
73,333	73,333	0.75	April 20, 2027
39,062	39,062	0.64	July 14, 2027
1,330,000	1,330,000	0.70	December 30, 2027
900,000	900,000	0.59	December 31, 2027
10,117,395	10,084,062		

6.2 Restricted Share Unit

Conditional awards under the RSU

6.2.1 Description

Conditional awards were made in 2022 that give participants the opportunity to earn restricted share unit awards under the Corporation’s Restricted Share Unit Plan (“RSU Plan”) subject to the generation of shareholder value over a four year performance period.

Amaroq Minerals Ltd.
Condensed Notes to the interim Consolidated Financial Statements
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6. STOCK-BASED COMPENSATION (CONT'D)

The awards are designed to align the interests of the Corporation's employees and shareholders, by incentivizing the delivery of exceptional shareholder returns over the long-term. Participants receive a 10% share of a pool which is defined by the total shareholder value created above a 10% per annum compound hurdle.

The awards comprise three tranches, based on performance measured from January 1, 2022, to the following three measurement dates:

- First Measurement Date: December 31, 2023;
- Second Measurement Date: December 31, 2024; and
- Third Measurement Date: December 31, 2025.

Restricted share unit awards granted under the RSU Plan as a result of achievement of the total shareholder return performance conditions are subject to continued service, with vesting as follows:

- Awards granted after the First Measurement Date - 50% vest after one year, 50% vest after three years.
- Awards granted after the Second Measurement Date - 50% vest after one year, 50% vest after two years.
- RSUs granted after the Third Measurement Date - 100% vest after one year.

The maximum term of the awards is therefore four years from grant.

The Corporation's starting market capitalization is based on a fixed share price of \$0.552. Value created by share price growth and dividends paid at each measurement date will be calculated with reference to the average closing share price over the three months ending on that date.

- After December 31, 2023, 100% of the pool value at the First Measurement Date is delivered as restricted share units under the RSU Plan, subject to the maximum number of shares that can be allotted not being exceeded.
- After December 31, 2024, the pool value at the Second Measurement Date is reduced by the pool value from the First Measurement Date (increased in line with share price movements between the First and Second Measurement Dates). 100% of the remaining pool value, if any, is delivered as restricted share units under the RSU Plan.
- After December 31, 2025, the pool value at the Third Measurement Date is reduced by the pool value from the Second Measurement Date (increased in line with share price movements between the Second and Third Measurement Dates), and then further reduced by the pool value from the First Measurement Date (increased in line with share price movements between the First Measurement Date and the Third Measurement Date). 100% of the remaining pool value, if any, is delivered as restricted share units under the RSU Plan.

6.2.2 Valuation

The fair value of the award granted in December 2022 is \$5,408,800 based on 80% of the available pool being awarded. A charge of \$449,000 was recorded during the three months ended March 31, 2023.

Amaroq Minerals Ltd.
Condensed Notes to the interim Consolidated Financial Statements
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(Unaudited, in Canadian Dollars)

7. EXPLORATION AND EVALUATION EXPENSES

	Three months ended March 31,	
	2023	2022
	\$	\$
Geology	113,105	154,421
Drilling	-	40,462
Analysis	-	141,382
Transport	304,200	89,139
Helicopter charter	79,868	-
Logistic support	-	11,752
Insurance	-	13,200
Maintenance infrastructure	294,119	370,247
Supplies and equipment	170,558	-
Project Engineering	55,792	-
Government fees	-	7,894
Exploration and evaluation expenses before depreciation	1,017,642	828,497
Depreciation	164,011	181,833
Exploration and evaluation expenses	1,181,653	1,010,330

8. GENERAL AND ADMINISTRATION

	Three months ended March 31,	
	2023	2022
	\$	\$
Salaries and benefits	617,589	639,999
Director's fees	157,000	157,000
Professional fees	611,878	275,708
Marketing and investor relations	141,968	168,867
Insurance	67,602	101,019
Travel and other expenses	301,269	145,913
Regulatory fees	192,941	34,264
General and administration before following elements	2,090,247	1,522,770
Stock-based compensation	451,014	1,443,862
Depreciation	35,774	22,137
General and administration	2,577,035	2,988,769

9. SUBSEQUENT EVENTS

9.1 ACAM LP Joint Venture

On June 10, 2022, the Corporation announced that it had signed a non-binding head of terms with ACAM to establish a special purpose vehicle (the "SPV") and created a joint venture (the "JV") for the exploration and development of its Strategic Mineral assets for a combined contribution of \$62.0 million (GBP 36.7 million). Subject to negotiation of the final terms of the JV, ACAM invests \$30.4 million (GBP 18 million) in exchange for a 49% shareholding in the SPV, with Amaroq holding 51%. Amaroq is expected to contribute its strategic non-precious mineral (i.e. non-gold) licences as well as a contribution in kind, valued, in aggregate, at \$31.6 million (GBP 18.7 million) in the form of site support, logistics and overhead costs associated with utilizing its existing infrastructure in Southern Greenland to support the JV's activities. The transfer of these licenses has been approved by the Greenland Government on April 13, 2023. An option for further future funding of \$16.0 million (GBP 10.0 million) is also potentially available on the achievement of agreed milestones.

Amaroq Minerals Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2023 and 2022

(Unaudited, in Canadian Dollars)

9. SUBSEQUENT EVENTS (CONT'D)

The final documentation of the deal was executed on October 19, 2022. Written approval by the Government of Greenland pursuant to section 88(1) of the Mineral Resources Act for the transfer of the Initial JV Company Licences by Nalunaq A/S to the Gardaq A/S has been received and the resolution of the final administrative matters, to satisfy the remaining conditions needed to complete the ACAM Transaction have been completed on April 13, 2023.

9.2 US\$49.5M Debt Financing (the “Financing”) and Potential Main Market Listing in Iceland

On March 28, 2023, the Corporation has signed non-binding term sheets for a US\$49.5 million senior secured financing package consisting of:

- US\$18.5 million Senior Debt Revolving Credit Facility (“RCF”) with Icelandic banks Landsbanki and Fossar Investment Bank, with a two-year term and interest at the Secured Overnight Financing Rate (SOFR) plus 950bps. The RCF has a 2% arrangement fee and a 0.4% commitment fee on unutilized amounts.
- Up to US\$21 million Syndicated Convertible Notes (“Convertible Note”) with an affiliate of ACAM LP, JLE Property Ltd, Livermore Partners and First Pecos with a four-year term, payment-in-kind interest of 5% per annum and a conversion price of 42 pence/share.
- ACAM LP's main investors are the majority ultimate beneficial owners of GCAM LP.
- US\$10 million, two-year Cost Overrun loan by JLE Property Limited on the same terms as the Convertible Note, plus a 2.5% commitment fee on unutilized amounts, to insure against any potential unexpected cost increases.

The Financing, together with existing capital, is expected to enable the transition from bulk sample stage to trial mining, processing and production of gold doré on site at Nalunaq in a staged approach, ahead of full-scale production. The Corporation will finalize the Financing's legally binding documentation and expects to be in a position to sign binding documents within the next three months.

Alongside the Financing, the Corporation intends to explore the possibility of a main market listing on Iceland's Nasdaq Exchange and will update on progress and timing in due course.