



Amaroq Minerals Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2023

Amaroq Minerals Ltd.

Management Discussion & Analysis

For the year ended December 31, 2023

1. Nature of activities	3
2. Corporate update.....	4
3. Property acquisition.....	8
4. Exploration and evaluation expenses.....	9
5. Strategy and action plan.....	22
6. Environmental monitoring expenses	23
7. Selected annual information	23
8. Results of operations	23
9. Selected quarterly information.....	26
10. Liquidity and capital resources	27
11. Off balance sheet arrangements.....	27
12. Subsequent event	27
13. Transactions between related parties	27
14. Critical accounting policies, estimates, judgements and assumptions.....	28
15. Changes in accounting policies.....	28
16. Financial instruments.....	28
17. Contractual commitments and obligations.....	28
18. Outstanding shares data	29
19. Stock option plan and Restricted Share Unit plan.....	29
20. Risk factors.....	29
21. Disclosure Controls and Procedures	36
22. Internal Control over Financial Reporting.....	36
23. Forward looking information.....	36

Amaroq Minerals Ltd.

Management Discussion & Analysis

For the year ended December 31, 2023

The following Management Discussion and Analysis (the “MD&A”) of the financial condition and results of the operations of Amaroq Minerals Ltd. (the “Corporation” or “Amaroq”), and its subsidiary companies and joint arrangements constitutes management’s review of the factors that affected the Corporation’s financial and operating performance for the year ended December 31, 2023. This MD&A is dated as of March 26, 2024 and should be read in conjunction with the Corporation’s audited consolidated financial statements for the year ended December 31, 2023 (the “Financial Statements”), which are prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise noted.

Further information regarding the Corporation, including the Corporation’s press release, quarterly and annual reports, Annual Information Form is available electronically on the System for Electronic Data Analysis and Retrieval + (SEDAR+) in Canada and can be found on www.sedarplus.ca. The following abbreviations are used to describe the periods under review throughout this MD&A:

Abbreviation	Period
2021	January 1, 2021 to December 31, 2021
Q1-22	January 1, 2022 to March 31, 2022
Q2-22	April 1, 2022 to June 30, 2022
Q3-22	July 1, 2022 to September 30, 2022
Q4-22	October 1, 2022 to December 31, 2022
2022	January 1, 2022 to December 31, 2022
Q1-23	January 1, 2023 to March 31, 2023
Q2-23	April 1, 2023 to June 30, 2023
Q3-23	July 1, 2023 to September 30, 2023
Q4-23	October 1, 2023 to December 31, 2023
2023	January 1, 2023 to December 31, 2023
2024	January 1, 2024 to December 31, 2024

1. NATURE OF ACTIVITIES

Amaroq 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. Since July 2017, the Corporation’s shares are listed (under the AMRQ ticker) 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 which were transferred on September 21, 2023 on Nasdaq Main Market Iceland (“Nasdaq”).

Amaroq is in the process of restarting the cornerstone Nalunaq mine and construction of a processing plant as the means to become self-funded, unlock the true mineral potential of its large licence holdings in Greenland and deliver significant value to all stakeholders. The Corporation is actively exploring what we believe to be world class gold deposits in Vagar and Nanoq and through the joint venture with GCAM (the “Joint Venture” or “JV”), will expand its focus on exploring for strategic minerals in Sava, Stendalen, Paatusoq and Kobberminebugt to potentially fill the growing supply gap.

Amaroq Minerals Ltd.

Management Discussion & Analysis

For the year ended December 31, 2023

2. OPERATIONAL PERFORMANCE HIGHLIGHTS

During the twelve months ending December 2023 the Corporation completed additional exploration drilling at Nalunaq whilst simultaneously focused on ramping up logistics and site preparation for the Nalunaq mine, processing plant and surface infrastructure as well as mine rehabilitation works commenced in Q4-23 with the aim to restart mining activities in Q2-24. Exploration activities within strategic minerals Joint Venture consisted of the establishment of a new 20-person camp, completion of 2,200m of exploration drilling and 8,000 line kilometers of airborne geophysics across the Southern Greenland Copper Belt. The Corporation looks to continue to improve the understanding of this emerging high potential resource. In addition to this the Corporation finished the MT survey over Stendalen (Nickel/Copper/Cobalt) target and using that data started drilling a 1,000m hole into the Stendalen intrusion. The drilling of the Stendalen Ni/Cu/PGM was completed during Q4-23.

2.1 2023 Consolidated Financial Results

	2023	2022	2021
		\$	\$
Financial Results			
Revenue	-	-	-
Exploration and evaluation expenses	6,616,652	12,700,526	14,280,055
Site development costs	2,515,743	-	-
General and administrative expenses	13,631,912	10,150,020	9,703,198
(Gain) on loss of control of subsidiary	(31,340,880)	-	-
Share of loss of equity-accounted joint arrangement	7,892,387	-	-
Unrealized loss on derivative liability	4,536,411	-	-
Net income (loss)	(833,513)	(21,898,963)	(24,689,239)
Net income (loss) per share, diluted	(0.003)	(0.11)	(0.14)
Financial Position			
Cash on hand	21,014,633	50,137,569	27,324,459
Investment in equity-accounted joint arrangement	23,492,811	-	-
Total assets	106,953,183	65,096,061	42,781,664
Total current liabilities	42,097,312	1,210,758	2,100,084
Shareholders' equity	64,278,637	63,227,863	39,968,502
Working capital (before convertible notes liability) ¹	37,614,068	49,472,991	25,542,242
Working capital (convertible notes liability included)	1,870,941	49,472,991	25,542,242

2.2 2023 Financial Performance Highlights

The Corporation reported a net loss of \$833,513 in 2023 compared to (net loss of \$21,898,963 for 2022). The main variations are as follow:

- Exploration and evaluation expenses of \$6,616,652 (\$12,700,526 in 2022). Mainly representing costs of drilling, geophysics surveying, geological works, and associated support cost at the Nalunaq camp during the 2023 field season. Exploration activities in 2023 were less than half of 2022 since the focus has shifted from exploration towards the restart of the Nalunaq mine, upgrade of the camp and the construction of the process plant and associated surface infrastructure.
 - A further 1,735m of resource drilling from six drillholes targeting resource expansion areas directly up dip from the proposed mining area of the Mountain Block. These results were announced on the 11th of October 2023 and illustrated that the high-grade zone continued

¹ Working Capital as per the Consolidated Statement of Financial Position as at December 31 2023 is \$1,870,941 and includes \$35,743,127 of Convertible Notes liability- hybrid instrument with complex embedded derivatives due to its early conversion and repayment feature components. According to the Corporation's Financial Instruments accounting policy (Note 3.17 of the Financial Statements), host liability and embedded derivative liability are to be classified as current due to its early conversion feature (Note 10 of the Financial Statements).

Amaroq Minerals Ltd.

Management Discussion & Analysis

For the year ended December 31, 2023

- beyond the proposed mining area and also included the identification of a new vein system in the hanging wall, the 75 vein.
- Sava Copper Belt - exploration drilling was completed across two targets. Results were reported 24 January 2024.
 - Exploration drilling and geophysics at Stendalen with the construction of a remote camp and logistics hub. Results were reported 29 February 2024.
 - A further 8,000 line Km of geophysics over regional, Sava and Nunarsuit targets have been completed.
 - Site development costs of \$2,515,743 (\$nil in 2022) represents cost of Nalunaq Project processing plant related engineering, project and construction management costs incurred before September 1, 2023- the date when the Corporation declared Technical Feasibility and Commercial Viability of Nalunaq Project. All site development costs September 1, 2023 onwards were capitalized to Construction in Progress within Capital Assets and Nalunaq development costs for twelve months of 2023 totaled \$25,761,155 (\$nil in 2022).
 - General and administrative costs of \$13,631,912 (\$10,150,020 in 2022).
 - Salaries and benefits of \$4,311,610 (\$3,188,032 in 2022). Salaries and benefits are expected to increase over the next couple of quarters as manpower is increased to complete the construction of the processing plant, manage on-site stores and warehousing, coordinate site rotations and logistics and collection of ESG related data.
 - Stock-based compensation of \$1,908,303 (\$2,046,342 in 2022). The Corporation has implemented a Restricted Share Unit Plan ("RSU") to incentivize delivery of the exceptional shareholder returns over the longer-term and to align the interests of Senior Executives with those of shareholders. Under the RSU, participants share in a "RSU pool" of up to 10% in excess of the growth in the Corporation's value. The Corporation's value for purposes of the "RSU pool" is determined using a hurdle rate of 10% pa over a performance period commencing on January 1, 2022. Part of the RSU pool will be reserved for future participants. Growth in value is based on the change in share price, with an adjustment for any dividends paid during the period (to the extent such distributions are made), based on the same number of shares in issue at the start of the performance period. Awards were granted to participants on December 31, 2022 and October 13, 2023. \$1,856,000 recorded in twelve months ended December 31, 2023 represents the recognition of the twelve-month expense based on the fair valuation of the RSU pool for current participants. Further details on the RSU description and valuation are provided under Note 12 of December 31, 2023, Financial Statements.
 - Professional fees of \$3,298,134 (\$2,258,660 in 2022). Professional fees mainly represent legal fees to finalize the GCAM Joint Venture as well as transaction fees associated with finalizing Nasdaq Main Market listing in Iceland. The Corporation's shares commenced trading on the Main Market on September 21, 2023.
 - Investor Relations and Communication of \$713,161 (\$598,447 in 2022) is slightly higher than for the same period of 2022 mainly driven by increased interaction with investors on the development of Nalunaq.
 - Insurance of \$289,042 (\$341,793 in 2022). The reduction in insurance is mainly due to the reduction in D&O insurance by \$109k, offset by an increase in general liability insurance of \$57k.
 - Travel and other expenses of \$1,383,767 (\$746,180 in 2022). The increase in expenses in twelve months of 2023 is mainly due to higher travel costs associated with analyst and Board site visits to Nalunaq.
 - Regulatory fees of \$953,521 (\$212,939 in 2022). The increase in costs reflect the third listing by the Corporation together with the subsequent upgrade from the Nasdaq First North Growth listing to the Main Market as well as the associated market making fees in Iceland for the twelve months of 2023.
 - Foreign exchange gain of \$306,706 (gain of \$849,773 in 2022) is mainly explained by the effects of exchange rate changes on GBP cash. In the 12-month of 2023 GBP stayed virtually unchanged against CAD and moved from 1.65 to 1.66. Exchange rate of GBP to CAD weakened during the same period of 2022 from 1.55 to 1.53, US\$ appreciated from 1.28 to 1.37 for the same period of 2022.
 - Gain on loss of control of Gardaq A/S of \$31,340,880 in twelve months ended December 31, 2023 (zero in twelve months ended December 31, 2022) representing Corporation's gain on the disposition of 49% of the fair value of Gardaq's ownership in the non-gold strategic mineral licences on April 13, 2023.
 - Share of loss in joint arrangement of \$7,892,387 in twelve months ended December 31, 2023 (zero

Amaroq Minerals Ltd.
Management Discussion & Analysis
For the year ended December 31, 2023

in twelve months ended December 31, 2022) representing 51% share of net losses associated with exploration costs incurred by Gardaq A/S within the period from April 13, 2023 to December 31, 2023.

- Project management income of \$1,714,559 in twelve months ended December 31, 2023 (zero in twelve months of December 31, 2022) representing corporate overhead costs charged by Nalunaq A/S to Gardaq A/S within the period from April 13, 2023 to December 31, 2023.

2.3 Q4-23 Financial Results

The following table presents selected financial information for each of the most recent eight quarters:

	Q4-23	Q3-23	Q2-23	Q1-23
	\$	\$	\$	\$
Revenue	-	-	-	-
Exploration and evaluation expenses	879,326	2,277,540	2,278,193	1,181,653
Site development costs	690,179	-	1,825,564	-
General and administrative expenses	5,616,655	2,632,041	2,806,181	2,577,035
(Gain) on loss of control of subsidiary	-	-	(31,340,880)	-
Share of loss of equity-accounted joint arrangement	2,871,156	3,381,749	1,639,482	-
Net income (loss)	(14,259,099)	(6,555,222)	23,357,701	(3,376,893)
Net income (loss) per share, diluted	(0.05)	(0.02)	0.09	(0.01)
Cash on hand	21,014,633	53,655,954	39,669,852	46,784,407
Investment in equity-accounted joint arrangement	23,492,811	26,363,967	29,745,716	-
Total assets	106,953,183	111,193,232	87,686,844	62,010,593
Total current liabilities	42,097,312	32,613,568	2,980,657	1,091,187
Shareholders' equity	64,278,637	77,982,519	84,089,457	60,280,742
Working capital (before convertible notes liability) ²	37,614,068	58,690,733	41,017,725	46,738,567
Working Capital (convertible notes liability included)	1,870,941	28,895,835	41,017,725	46,738,567

	Q4-22	Q3-22	Q2-22	Q1-22
	\$	\$	\$	\$
Revenue	-	-	-	-
Exploration and evaluation expenses	1,697,334	5,567,361	4,425,501	1,010,330
Site development costs	-	-	-	-
General and administrative expenses	3,203,588	1,859,725	2,097,937	2,988,769
(Gain) on loss of control of subsidiary	-	-	-	-
Share of loss of equity-accounted joint arrangement	-	-	-	-
Net income (loss)	(4,426,345)	(7,012,481)	(6,324,639)	(4,135,498)
Net income (loss) per share, diluted	(0.02)	(0.04)	(0.04)	(0.02)
Cash on hand	50,137,569	11,032,487	19,494,000	23,823,441
Investment in equity-accounted joint arrangement	-	-	-	-
Total assets	65,096,061	26,028,307	34,618,121	39,195,469
Total current liabilities	1,210,758	1,227,741	2,880,555	1,207,103
Shareholders' equity	63,227,863	24,124,912	31,043,925	37,276,866
Working capital	49,472,991	10,065,234	16,782,108	22,812,025

The Corporation reported a net loss of \$14,259,099 in Q4-23 compared to \$4,426,345 for Q4-22. The main

² Working Capital as per the Consolidated Statement of Financial Position as at December 31 2023 is \$1,870,941 (\$28,895,835 as at September 30, 2023) and includes \$35,743,127 (\$29,794,898 as at September 30, 2023) of Convertible Notes liability- hybrid instrument with complex embedded derivatives due to its early conversion and repayment feature components. According to the Corporation's Financial Instruments accounting policy (Note 3.17 of the Financial Statements), host liability and embedded derivative liability are to be classified as current due to its early conversion feature (Note 10 of the Financial Statements).

Amaroq Minerals Ltd.

Management Discussion & Analysis

For the year ended December 31, 2023

variations are as follow:

- Exploration and evaluation expenses of \$879,266 (\$1,697,334 in Q4-22).
Mainly representing costs of drilling, geophysics surveying, geological works, and associated support cost at the Nalunaq camp during the 2023 field season. Exploration activities in Q4-23 were less than half of Q4-22 since the focus has shifted from exploration towards the restart of the Nalunaq mine, upgrade of the camp and the construction of the process plant and associated surface infrastructure. Underground sampling and assaying across the target Block extension zones, reported 29 January 2024.
- Completion of Stendalen sampling and assaying as well as further geophysical interpretations to assist in planning ahead of 2024. Results were reported 29 February 2024.
- Site development costs were capitalized to Construction in Progress within Capital Assets in Q4-23 and for three months of Q4-23 totaled to \$16,083,164.
- General and administrative costs of \$5,616,655 in Q4-23 (\$3,203,588 in Q4-22).
 - Salaries and benefits of \$2,447,564 (\$1,388,54 in Q4-22). Salaries and benefits are expected to increase over the next couple of quarters as manpower is increased to complete the construction of the processing plant, manage on-site stores and warehousing, coordinate site rotations and logistics and collection of ESG related data.
 - Stock-based compensation of \$555,261 (\$547,314 in Q4-22). On July 24, 2023 the Corporation granted 19,480 options with an exercise price of \$0.70, vesting date of October 24, 2023 and an expiry date of July 24, 2028 to an employee and on December 20, 2023, the Corporation granted its employees 61,490 stock options with an exercise price of \$1.09 and expiry date of December 20, 2028—which vested 100% at the grant date. The options were granted at an exercise price equal to the closing market price of the shares the day prior to the grant. Total stock-based compensation for options-amounted to \$46,261 for an estimated fair value of \$0.566 per option vested during Q4-23. In addition, awards of RSUs were granted to participants on December 31, 2022 and October 13, 2023. \$509,000 was recorded during the three months ended December 31, 2023 representing the recognition of the three-month expense based on the fair valuation of the RSU pool for current participants. Further details on the RSU description and valuation are provided under Note 12 of the December 31, 2023, Financial Statements.
- Professional fees of \$1,479,354 (\$450,283 in Q4-22). Professional fees in Q4-23 were higher compared to Q4-22 due to \$802k debt financing fees, legal fees related to Nalunaq Project main contracts review and finalization as well as consulting costs for setup of comprehensive decarbonization strategy and aligning of biodiversity standards.
- Investor Relations and Communication of \$232,902 (\$183,595 in Q4-22) is slightly higher than for the same period of 2022 mainly driven by increased interaction with investors on the development of Nalunaq.
- Insurance of \$77,836 (\$67,338 in Q4-22).
- Travel and other expenses of \$390,600 (\$264,591 in Q4-22). The increase in expenses in Q4-23 compared to Q4-22 is mainly due to higher travel costs associated with business development and increased number of investor meetings on the back of development of Nalunaq project.
- Regulatory fees of \$238,299 (\$107,416 in Q4-22). The increase in costs reflect the third listing by the Corporation together with the subsequent upgrade from the Nasdaq First North Growth listing to the Main Market as well as the associated market making fees in Iceland for the three months of Q4-23.
- Foreign exchange gain of \$365,413 (gain of \$431,947 in Q4-22) is mainly explained by the effects of exchange rate changes on GBP cash. In the three-month period of Q4-23 GBP weakened against CAD in all three months of Q4-23.
- Share of loss in joint arrangement of \$2,871,156 (zero in Q4-22) representing 51% share of net losses associated with exploration costs incurred by Gardaq A/S within the period from October 1, 2023 to December 31, 2023.
- Project management income of \$606,458 (zero in Q4-22) representing corporate overhead costs charged by Nalunaq A/S to Gardaq A/S within the period from October 1, 2023 to December 31, 2023.

2.4 Cash Flow and Liquidity

Cash used in operating activities in 2023, totalled to \$34,359,180 compared to \$20,874,288 in 2022. Cash used in 2023 operations was mostly directed at completing additional exploration drilling at Nalunaq whilst simultaneously focusing on procuring equipment, supplies and contracted services for processing plant construction, ramping up logistics, surface infrastructure and making an advance payment for Nalunaq mine rehabilitation and development works with the aim to restart mining activities in Q1-2024. Cash used in operations in 2022 was mostly directed at implementing exploration and drilling program across the Corporation's licences portfolio.

Cash used in investing activities in 2023, was \$24,303,517 representing cash spent on Nalunaq mine rehabilitation works and development preparation, construction of related infrastructure, camp winterization and expansion to 88-person camp, as well as processing plant engineering, design, procurement and construction of process plant foundation compared to \$261,967 spent in 2022 for deployment of an accounting and enterprise resource planning system.

Cash received from financing activities in 2023, was \$29,355,353, compared to cash received from financing activities of \$43,061,260 for 2022. Debt Financing package for funding of the Nalunaq Project was closed on September 1, 2023 and pursuant to the agreements, US\$22.4 million (CAD \$30.4 million) of Convertible Notes were issued on September 1, 2023. As at December 31, 2023, aside from the \$21.0 million available cash, the Corporation had undrawn revolving credit facilities of \$38.5 million, representing total liquidity of \$59.5 million.

As at December 31, 2023, the Corporation has working capital of \$37,614,068 compared to \$49,472,991 as of December 31, 2022.

3. CORPORATE UPDATE

3.1 GCAM Joint Venture

November 2022 Capital Fundraising was complemented by a joint venture between the Corporation and GCAM, under which the Corporation has established a strategic mineral focused exploration joint venture ("Garda A/S") to hold certain licences in which the majority of resource is expected to relate to non-gold minerals. Under the terms of the agreement, any gold mineralisation discovered by the Joint Venture entity during the course of exploration activities in these licences, will be offered back to the Corporation.

ACAM, through its affiliate company GCAM, LP, has invested an initial amount of \$30.1 million (GBP 18 million) under a subscription and shareholders' agreement in return for 490,000 ordinary shares in the subsidiary representing 49% of the issued shares in Garda A/S, to solely fund exploration work programmes. The Corporation invested six non-gold strategic minerals licences through the transfer of those licences from Nalunaq A/S to Garda A/S as well as \$7.7 million (GBP 5 million) under the Subscription and Shareholders' Agreement, with such amount to be set-off against corporate overhead costs incurred by Nalunaq A/S as the joint venture's project manager.

On April 13, 2023, the Subscription and Shareholders' agreement became effective subject to satisfaction of all conditions for the release of the Subscription and Shareholders' Agreement from escrow. On the day of closing the deal, the Corporation recognized \$31.3 million gain on loss of control over Garda A/S as a subsidiary, but retained a joint control, representing 51% equity share of the Corporation in Garda Joint Venture.

3.2 US\$50.9M Debt Financing (the "Financing")

On March 28, 2023, the Corporation signed non-binding term sheets for a US\$49.5 million Senior Secured Financing package which was updated on August 11, 2023, to US\$50.9 million consisting of:

- (i) US\$18.5 million Bank Revolving Credit Facilities ("RCF") provided by Landsbankinn hf. and Fossar

Amaroq Minerals Ltd.

Management Discussion & Analysis

For the year ended December 31, 2023

Investment Bank, with a two-year term and priced at SOFR plus 950bps. Interest is capitalized and payable at the end of the term;

- (ii) US\$22.4 million in convertible notes with ECAM LP (US\$16 million), JLE Property Ltd. (US\$4 million) and Livermore Partners LLC (US\$2.4 million) with a four-year term and a fixed interest rate of 5%. The convertible notes have a US\$3.5M Commitment Fee payable after the Bank RCF has been repaid. The conversion price of \$0.90 per common share is the closing Canadian market price of the shares on the closing day of the Financing;
- (iii) a US\$10 million Revolving Cost Overrun Facility from JLE Property Ltd. on the same terms as the Bank Revolving Credit Facility.

The Financing, together with existing capital, is expected to enable the transition to initial production of gold doré on site at Nalunaq, ahead of full-scale production.

The Corporation closed the Financing on September 1, 2023.

3.3 Nasdaq Main Market Listing in Iceland

Subsequent to the approval by the Financial Supervisory Authority of the Central Bank of Iceland (the “FSA”) and satisfaction of all Nasdaq Main Market requirements the Corporation transferred all depository receipts from the Nasdaq First North Growth Market to the Nasdaq Main Market with the first day of trading on September 21, 2023. The mainboard listing in Iceland do not affect any shares traded on AIM or the TSX-V.

Landsbankinn hf. Corporate Finance was acting as Project manager, listing agent and advisor on the admission. Fossar Investment Bank hf. advised the Corporation on the potential effects of the admission on the Amaroq stock.

3.4 February 23 2024 GBP 44 million Fundraising

On February 13, 2024, the Company announced the successful completion of its oversubscribed fundraising which resulted in a total of 62,724,758 new common shares conditionally placed with new and existing institutional investors at a placing price of 74 pence (CAD \$1.25, ISK 127 at the closing exchange rate on 9 February 2024). The placing price represented a 5.7% premium to the closing share price on 9 February 2024 on the AIM exchange. The fundraising consisted of:

- A placing of new common shares with new and existing institutional investors at the placing price (the “UK Placing”). Stifel Nicolaus Europe Limited acted as the sole bookrunner and broker on the UK Placing.
- A placing of new depository receipts representing new common shares with new and existing investors at the placing price (the “Icelandic Placing”). Landsbankinn hf. and Fossar Investment Bank hf. acted as joint bookrunners on the Icelandic Placing and Landsbankinn hf. acted as underwriter.
- A private placement of new common shares by certain existing institutional investors and a director of the Company at the placing price (the “Canadian Subscription”). Amaroq director, Sigurbjorn Thorkelsson, participated in the Canadian Subscription for an aggregate of 2,700,000 common shares for gross proceeds of £2.0 million (equivalent to approx. C\$3.4 million or ISK 343 million) via Klettur LP (in which he is a sole beneficiary).

As a result of the subscription, net proceeds of approximately GBP 44 million (CAD 75 million) have been raised, exceeding the initial targeted amount of GBP 30 million. The issued shares were credited as fully paid and rank *pari passu* in all respects with the existing common shares of the Company. Following the admission of the subscribed shares, Amaroq’s total issued share capital consists of 326,455,446 common shares.

The proceeds of the fund will be used to further advance exploration at the Company’s Vagar and Nanoq licences and to fund an additional capital injection into its Garda joint venture, as well as to accelerate mining and development of the Company’s Nalunaq gold project. The Fundraising closed on February 23, 2024.

The Company will issue its inaugural Sustainability Report for 2023 alongside its Annual Report for 2023 in Q2-24.

Amaroq Minerals Ltd.

Management Discussion & Analysis

For the year ended December 31, 2023

4 OPERATIONAL UPDATE

4.1 Nalunaq Project Development

1. **Contracting and Procurement:** At the end of Q4-23, 80% of the key contracts for the processing plant were concluded and procurement was 80% complete. Thyssen Schachtbau GMBH is contracted on the underground development and mining and Halyard Inc. will be the engineering consultant in the staged construction of the trial processing plant.
2. **Engineering:** Process plant engineering was 77% complete at the end of Q4-23 based on the updated project scope
3. **Construction:** Two wings were added to the camp, increasing the accommodation capacity by 60 beds. The overall construction status of the processing plant was 16% at the end of Q4-23 based on the updated project scope and 23% as at the end of February 2024.
4. **Mine Rehabilitation –** Mine rehabilitation works were continued in Q4 2023. This work lays the foundation for safe and efficient trial mining to commence at the end of Q1 2024 or early Q2 2024.
5. **Nalunaq Exploration:** New underground samples beyond the historically mined areas of Target Block, Nalunaq's largest historic mining block, confirmed continuation of high-grade mineralisation into modelled extension area with grades of up to 48.3g/t Au over 1m. Additional intersections of the newly discovered 75 Vein provide further confidence in its thickness and continuity.
6. **Strategic Minerals:** Provisional results from Sava 2023 Drilling programme further indicate the existence of a new 120km long copper district in South Greenland. The Stendalen Drilling programme in 2023 resulted in a significant new Ni-Cu discovery at the Stendalen Project.

4.2 Gold Exploration Projects

- **Nalunaq**
 - Assay results from the 2023 drilling into the Mountain Block extension were announced 11th October 2023. These provided the highest-grade drilling intersects the Corporation has ever produced confirming the extension of the high-grade zone as well as the existence of a secondary mineralised vein 75m above the Main Vein
 - Underground samples taken from the Target Block were aimed at corroborating previously unreported historical channel samples that suggested the continuation of the Target Block into extension areas. Results confirm high grade nature of the Target Block extending into previously unmined areas with grades of up to 48.3g/t Au over 1m and a potential strike extent of ~775m.
- **Nanoq**
 - ALS Goldspot completed a review of the 2022 detailed geophysics over the target area and the proposed 25km structure connecting Nanoq to Jokum's Shear. This work further expanded the gold target zone and defined multiple parallel zones, significantly increasing the project's mineral potential. These results were reported on 19 December 2023.
- **Vagar Ridge**
 - Over the last year the Corporation has progressed with the construction of a robust geological and mineralization model to inform future exploration at Vagar as well as designing future exploration options.

4.3 Strategic Minerals Projects (Amaroq 51%)

- **Sava Copper Belt (Sava/North Sava)**
 - Over the last year the Company completed its scout drilling and surface channeling program across two targets within the Sava licence as well as conducted reconnaissance across multiple target zones in the North Sava licence. Results were reported 24 January 2024.

Amaroq Minerals Ltd.

Management Discussion & Analysis

For the year ended December 31, 2023

- Four holes drilled for 2200m across two targets on the Sava Licence completed on time and budget.
- Three holes were completed at Target West, each intersecting copper molybdenum mineralisation in the same Unit 1 of up to 345m including higher grade zones of up to 18m at 0.31% CuEq.
- Amaroq believe that Target West is a copper porphyry-style orebody.
- Surface mapping and sampling have identified a significant copper-molybdenum surface footprint of at least 3km², suggesting the presence of a large system.
- Scout drillhole into a 2km long potential epithermal system at Target North did not intersect mineralisation.

- **Stendalen**
 - The Corporation completed their stratigraphic drilling programme to a depth of 1,060m at Stendalen primarily focusing on geophysical targets identified from the high resolution Magnetotellurics (MT) geophysical survey conducted earlier in the year. Results were announced 29 February 2024.
 - These results show that Stendalen has a magma chamber of significant size and has reached sulphur saturation with a intersection of over 140m containing magmatic sulphides.
 - Textures suggested significant magma recharge and hydrothermal enrichment.
 - Initial assay data suggests high metal tenors in the sulphides, therefore high grades expected in any massive sulphides.
 - Low olivine (MgO) content, therefore recoveries would be expected to be high.
 - Geophysical data points to the likely feeder zone and other sulphide accumulation areas.

- **Kobberminebugt:**
 - The Corporation completed a high-resolution MT survey over the Josva historical copper mine and the rest of the licence. The Corporation's geological team are assessing these results ahead of a 2024 exploration programme.

- **Paatusoq**
 - The Corporation conducted a reconnaissance programme at Paatusoq to assess the REE potential as well as other critical metals. During this programme an intrusion with similar characteristics to Stendalen was encountered and will be further assessed by the Company's geological team.

- **Nunarsuit**
 - This licence holding REE, and other mineral potential was successfully applied for with geological reconnaissance surveys completed to a number of initial targets.
 - An airborne geophysical survey of the priority areas of this licence was completed and is being assessed by the geology team.

- **Regional Exploration**
 - The Corporation have continued to assess further critical and strategic metal opportunities across South Greenland and completed further geophysical surveys to aid this programme.

5. PROPERTY ACQUISITION

Property acquisitions are capitalized in the consolidated statement of financial position.

Paatusoq West

The Corporation has been granted exclusive exploration rights under a Mineral Exploration Licence in South Greenland, licence 2023-69 covering an area of 199 km². The licence application has been approved and all required documentation was signed by the Corporation on June 30, 2023, and the licence became effective on July 25, 2023. The licence expires December 31, 2027.

Nunarsuit

The Corporation has been granted exclusive exploration rights under a Mineral Exploration Licence in South Greenland, licence 2023-70 covering an area of 1,718 km². The licence application has been approved and all required documentation was signed by the Corporation on June 30, 2023, and the licence became effective on July 25, 2023. The licence expires December 31, 2027.

6. EXPLORATION AND EVALUATION EXPENSES

Exploration and evaluation expenses are included in the operating loss in the consolidated statement of comprehensive gain.

The Corporation incurred the following exploration and evaluation expenses:

Amaroq Minerals Ltd.

Management Discussion & Analysis

For the year ended December 31, 2023

	Q4-23	Q4-22	2023	2022
	\$	\$	\$	\$
Nalunaq - Au				
Geology	106,058	165,563	385,796	1,001,263
Lodging and on-site support	52,129	6,350	305,808	170,024
Drilling	-	-	1,354,447	2,962,491
Analysis	4,917	43,401	32,177	205,304
Transport	104,392	34,647	800,247	222,546
Supplies and equipment	140,635	10,332	1,498,097	484,461
Helicopter Charter	69,383	19,545	1,210,601	221,039
Logistic support	-	230,183	-	904,310
Maintenance infrastructure	249,681	37,781	1,641,204	2,401,358
Project Engineering costs	-	35,946	55,792	35,946
Government fees	(25,615)	-	-	2,584
Depreciation	157,254	175,153	635,773	721,072
	858,834	758,901	7,919,942	9,332,398
Vagar - Au				
Geology	-	20,909	-	54,524
Lodging and on-site support	-	5,952	-	20,900
Drilling	-	-	-	611,610
Analysis	-	85,252	156	86,765
Transport	3,922	2,111	3,922	84,644
Supplies and equipment	-	9,686	-	21,247
Helicopter Charter	14,007	-	14,007	424,586
Logistic support	-	4,745	-	62,777
Maintenance infrastructure	1,569	35,420	1,569	62,431
Government fees	994	-	994	7,893
	20,492	164,075	20,648	1,437,377
Nuna Nutaq - Au				
Geology	-	12,082	30,056	30,992
Lodging and on-site support	-	1,984	-	4,546
Geophysics survey	-	172,033	-	364,827
Transport	-	704	-	2,028
Supplies and equipment	-	3,229	-	5,211
Logistic support	-	1,582	-	11,530
Maintenance infrastructure	-	11,807	-	16,437
	-	203,421	30,056	435,571
Anoritoq - Au				
Geology	-	8,364	-	17,966
Lodging and on-site support	-	2,381	-	6,652
Analysis	-	775	-	1,208
Transport	-	844	-	3,052
Supplies and equipment	-	3,874	-	7,178
Helicopter Charter	-	-	-	19,850
Logistic support	-	1,898	-	18,478
Maintenance infrastructure	-	14,168	-	21,886
	-	32,304	-	96,270
Sava – Strategic Minerals				
Geology	-	32,275	(59,660)	75,596
Lodging and on-site support	-	7,936	(29,413)	29,413
Drilling	-	-	(144,019)	144,019
Analysis	-	24,801	(25,060)	25,060
Transport	-	2,814	(37,154)	37,154
Supplies and equipment	-	12,914	(18,736)	20,959
Helicopter Charter	-	-	(241,390)	267,957
Logistic support	-	6,327	(16,275)	16,275
Maintenance infrastructure	-	47,226	(83,364)	83,558
	-	134,293	(655,071)	699,991

Amaroq Minerals Ltd.

Management Discussion & Analysis

For the year ended December 31, 2023

	Q4-23	Q4-22	2023	2022
	\$	\$	\$	\$
North Sava – Strategic Minerals				
Geology	-	32,994	(34,913)	34,912
Lodging and on-site support	-	7,936	(8,791)	8,791
Geophysics survey	-	196,346	(416,177)	416,177
Transport	-	2,814	(3,256)	3,256
Supplies and equipment	-	12,914	(13,575)	13,575
Logistic support	-	6,327	(9,643)	9,643
Maintenance infrastructure	-	47,226	(48,770)	48,770
	-	306,557	(535,125)	535,124
Stendalen – Strategic Minerals				
Geology	-	16,360	(20,202)	20,202
Lodging and on-site support	-	3,968	(5,676)	5,676
Analysis	-	-	(173)	173
Transport	-	1,407	(2,290)	2,290
Supplies and equipment	-	6,457	(7,779)	7,779
Logistic support	-	3,164	(9,796)	9,796
Maintenance infrastructure	-	23,613	(26,700)	26,700
	-	54,969	(72,616)	72,616
Kobberminebugt – Strategic Minerals				
Geology	-	11,151	(16,914)	16,914
Lodging and on-site support	-	3,175	(5,737)	5,737
Analysis	-	775	(1,035)	1,035
Transport	-	1,126	(2,450)	2,450
Supplies and equipment	-	5,166	(7,148)	7,148
Helicopter Charter	-	-	(13,072)	13,072
Logistic support	-	2,531	(12,479)	12,479
Maintenance infrastructure	-	18,890	(23,521)	23,521
	-	42,814	(82,356)	82,356
Saarloq – Strategic Minerals				
Geology	-	-	(1,921)	1,919
Lodging and on-site support	-	-	(854)	854
Analysis	-	-	(87)	87
Transport	-	-	(442)	442
Supplies and equipment	-	-	(661)	661
Logistic support	-	-	(3,316)	3,316
Maintenance infrastructure	-	-	(1,544)	1,544
	-	-	(8,825)	8,823
Total				
Geology	106,058	299,698	282,242	1,254,288
Lodging and on-site support	52,129	39,682	255,337	252,593
Drilling	-	-	1,210,428	3,718,120
Analysis	4,917	155,004	5,978	319,632
Geophysics survey	-	368,379	(416,177)	781,004
Transport	108,314	46,467	758,577	357,862
Supplies and equipment	140,635	64,572	1,450,198	568,219
Helicopter Charter	83,390	19,545	970,146	946,504
Logistic support	-	256,757	(51,509)	1,048,604
Maintenance infrastructure	251,250	236,131	1,458,873	2,686,205
Project Engineering costs	-	35,946	55,792	35,946
Government fees	(24,621)	-	994	10,477
Depreciation	157,254	175,153	635,773	721,072
Total exploration and evaluation expenses	879,326	1,697,334	6,616,652	12,700,526

James Gilbertson CGeol, Vice President – Exploration of the Corporation and a Chartered Geologist with the Geological Society of London and as such a qualified person as defined in NI 43-101, supervised the

preparation of the technical information in this section.

6.1 Nalunaq – Gold

a) Property description

The Nalunaq Property is located in Southern Greenland at 60°21'N latitude and 44°50'W longitude in the Municipality of Kujalleq. Greenland is an autonomous territory within the Danish Realm. It is the world's largest island with an area of 2,166,086 km² although it has a small population of just 56,000 people. Most of the island is covered by the Greenland ice sheet, thus the population lives along the coastal fringe which is heavily incised by fjords. Most of the population is located on the west and south coasts and the largest settlement is the capital, Nuuk. The Nalunaq Property is located on the northern side of the Kirkespirdalen Valley, about 33 km northeast of the town of Nanortalik.

The Nalunaq Exploration Project area lies within exploitation licence 2003/05 issued by the Government of Greenland, Mineral Licence and Safety Authority (the "Nalunaq Licence"), which covers an area of 22 km² and includes the former underground mine which ceased operating in 2013 (the "Nalunaq Gold Mine").

b) Nalunaq exploration results

Through the 12 months of 2023 the Corporation has finalized the mine design and schedule for the up-dip portion of the Mountain Block, (Mountain Block 1), laying the groundwork for development. In parallel to this, Nalunaq project team is working on the engineering design for associated infrastructure as well as the groundwork for the construction of a trial processing plant consisting of a gravity circuit and gold room for the production of doré on site.

To facilitate this programme a Mining Contract was signed on October 4th, 2023 with Thyssen Schachtbau GMBH on the underground development and mining and Halyard Inc. will be the engineering consultant in the staged construction of the trial processing plant, as announced on March 28, 2023.

In addition to this the Corporation has completed further resource drilling. These helicopter-supported drillholes targeted further Inferred Resource extension up-dip of Mountain Block 1 thus providing additional resource for possible near-term mine production. Results announced 11th October 2023 illustrated that the high-grade nature of the Mountain Block continued up-dip into this region providing further support to this becoming a near term mining area. On top of this, results illustrated the existence of a mineralised vein 75m above the Main Vein. This vein provided the Corporation with the highest ever grade drilled at 256g/t Au over 0.5m suggesting that this feature host similar grade and width potential.

6.2 Vagar – Gold

a) Property description

The Vagar Licence covers an official area of 292 km² and comprises three sub-areas the licence expired December 31, 202, and the Corporation have applied for an additional 3 years extension and a licence reduction to a total area of 197 km² and are awaiting final documentation from the Government. The licence is important as it is close to the Nalunaq Property and hosts a number of gold prospects that lie along the prospective Nanortalik Gold Belt, some of which show similarities to Nalunaq.

b) Exploration work - Vagar Ridge and the Vagar Licence Area

While the Corporation has focused its efforts on the development of the Nalunaq deposit during 2023, additional data collection and review and sampling has been conducted for Vagar Ridge through 2023. This will be aimed at constructing a robust geological and mineralisation model to inform future

exploration.

c) Exploration work - Saqqaa Dyke

Within the Nalunaq East sub area of the Vagar licence, the Saqqaa peridotite dyke is known to host semi-massive and disseminated magmatic sulphide mineralisation, with elevated concentrations of Nickel (up to >1%), Copper (up to 6% in float samples), and Platinum Group Elements (up to 10 g/t Pd in channel samples).

The Corporation has completed one core drillholes for a total of 202m into the potential strike extension of Saqqaa Dyke below the Nalunaq Valley floor and previously signatred from ground geophysical surveys. The Company's geological team are now assessing this core ahead of deciding on an exploration direction.

6.3 Nanoq – (Nuna Nutaaq) – Gold

a) Property description

The Nuna Nutaaq licence, commonly referred to as Nanoq, is comprised of four sub-areas and covers, following an application for a small reduction in licence area in December 2023 of a total of 245 km² within the Nanortalik Gold Belt.

Following extensions to licences granted by the Government of Greenland in response to COVID 19, the Nanoq licence is due to expire on December 31, 2025.

b) Exploration work - Nørrearm (Nørrearm is a fjord located in Kujalleq, Greenland.)

A graphite-sulphide horizon discovered in 2019 was revisited in 2021 to further assess the form and extent of this mineralised body. A large (>50kg) sample was collected and dispatched to Wardell Armstrong, a mineral industry and processing consultancy and testing facility, for preliminary ore characterisation, grind test work and metallurgical test work, including characterising the flake size, in order to assess likely mineral processing characteristics.

The results of the sample analysis give a fairly consistent Carbon grade from the graphite content across the sample fractions of 4 - 6 wt%. The flake size is of key interest and was found to be relatively fine with a D80 of 217 µm and D50 of 85µm. This means the material will require significant milling to liberate the graphite, which in itself is likely to further reduce the overall flake size.

The graphite target is undoubtedly large; however, no further work was carried out during the 2022 field season. No further work was planned at Nørrearm in 2023. Instead, Amaroq plans to expand its graphite exploration efforts across a number of other occurrences within its portfolio, utilising the geological understanding gained at Nørrearm, with the aim of identifying mineralisation with higher carbon content and flake sizes.

c) Exploration work - Nanoq

Following the successful 2021 field season where the Corporation conducted extensive programme of surface mapping and the creation of a structural model aiding the Amaroq to understand the likely controls on mineralisation, the Corporation have concentrated on building on this understanding in the production a new geophysical survey. During September and October 2022, New Resolution Geophysics (NRG) conducted 407.65 km² helicopter-borne magnetics, radiometrics and gravity high-resolution survey across the Nanoq, Siku and Jokum's Shear gold projects with the aim of defining geological models to direct future drilling campaigns. The results of this survey revealed numerous potential gold trap structures that coincide with known high-grade samples as well as a new large prospective zone to the immediate west of Nanoq, which exhibits similar controlling structures, opening up further target areas.

d) Nanoq exploration plans

Following this geophysical work, surface exploration is scheduled to evaluate additional structural

targets as well as site preparation ahead of initial drilling in 2024.

e) Exploration work – Jokum’s Shear

In order to further the understanding of gold/copper mineralisation discovered at Jokum’s Shear, the potential structural connection through to Nanoq was investigated by the NRG geophysical survey described above. This survey has now been completed. This geophysical survey provides further evidence of a c. 25km prospective gold corridor between Nanoq and the Jokum’ Shear project, (transecting the Siku licence) where a 1 x 2km area of favorable structures was also identified. This was reported on 3 May 2023.

6.4 Eagle’s Nest - Anoritoq - Gold

a) Property description

This 1,185 km² licence, reduced in December 2023 to allow the Company to concentrate on the most prospective regions, in the areas of Anoritoq and Kangerluluk in South Greenland is collectively referred to as Eagle’s Nest. The exploration rights were granted to the Corporation under a new separate Exploration Licence 2020/36 which is valid until 31 December 2026.

b) Exploration work – Eagle’s Nest

The Corporation did not conduct any extensive field work on the Eagle’s Nest target during 2023 but is assessing exploration options as part of a wider near mine gold assessment programme into 2024.

c) Exploration work – Other areas

The 2023 airborne geophysics survey flown at Nanoq/Jokum’s Shear/Siku also covered parts of the Eagle’s Nest licence on the north side of Kangerluluk fjord. It has thus been subject to the same review by ALS Goldspot Discoveries.

6.5 Tartoq - Gold

a) Property description

The exploration project on the Tartoq Property as described in the 2017 Tartoq NI 43-101 Report (the “Tartoq Exploration Project”) is comprised of the area covered by the Mineral Exploration Licence 2015/17. Various extensions to this licence have been made and the current expiry date is 31 December 2026.

The Tartoq Exploration Project covers an “official area” (all parts of the licence excluding those covered by sea) of 78 km² in south-western Greenland, some 330 km from the capital, Nuuk. The approximate centre of the project is 61°30’N latitude and 48°40’W longitude. The Tartoq Exploration Project flanks the Sermiligaarsuk Fjord and is split into two licence sub-blocks: Nuuluk on the southern side of the fjord and Ilerlak on the northern side to the east.

There is no infrastructure within the licence area and access is by boat and then on foot to reach the main target areas, or by helicopter. Given the remote location of the project, any development of the site for mineral exploration and mining would require self-sufficiency in terms of utilities and infrastructure.

b) Exploration work

No field work has been conducted in 2023 and exploration development has been focused on a thorough data compilation review and 3D geological modelling ahead of definitive plans for 2024.

6.6 Sava – Strategic Minerals

a) Property description

The Corporation acquired the exclusive right to conduct exploration activities on approximately 335 km² of land in the area of Eqaluit Iluat in South Greenland under the Exploration Licence 2021/02. The

licence consists of low-lying sheep herding areas and moderately mountains areas up to 700m above sea level and is located 30km east of Narasarsuaq and 45km North of Qaqortoq.

The licence is centred on the emerging South Greenland Copper Belt which runs from North Sava in the Northeast to Josva and Kobberminebugt in the Southwest, a distance of around 120km.

b) Exploration work

The 2023 field season at Sava commenced on the June 26 with surface mapping and an assessment by an independent IOCG specialist on the two targets (Target West and Target North) as well as other newly defined targets.

Core drilling to a total of 2,200m has been conducted across both targets during July/August.

Following the results from the 2023 season, Target West has been interpreted as a porphyry style Cu/Mo target with mineralisation hosted in Unit 1 from surface to 345m with a higher-grade zone of 18m as 0.31% Cu equivalent. Surface mapping of Unit 1 identified a ~3Km² prospective area.

At Target North a 2km long epithermal system was tested with one scout drillhole but did not intersect any economic mineralisation. These results are being further assessed by the Amaroq geological team.

In addition to the drilling, further ground exploration as well as airborne gravity surveys were conducted to further the understanding of the overall system.

6.7 North Sava Licence – Strategic Minerals

a) Property description

The Corporation acquired the right to conduct exploration activities on approximately 333 km² of the 2020/41 licence on 02 March 2021. And is valid until 1 March 2026. The licence was split into two areas around the Akuliarutsip and Narsaviarsuasiit areas of South Greenland following an application for the reduction in licence area in December 2023, is now focused on the area immediately adjacent to the Sava licence and is termed the North Sava licence.

The licence package hosts two main mineral occurrences. The first, North Sava, is a continuation of the ground held and explored by the Corporation at Sava within a newly identified South Greenland Copper belt situated in close proximity to the international airport at Narasarsuaq.

Secondly, Midternaes is an unconformity and ultramafic hosted nickel, uranium, lead and zinc target within a sublicence adjoining Amaroq's Tartoq NP licence and the Tartoq gold belt in Southwest Greenland.

b) Exploration work

An airborne geophysical survey of approximately 5,100 line-km (magnetic, gravity and radiometrics) was completed across the North Sava sub area targeting the continuation of the mineralisation and mineral potential already identified at Sava.

Following this work, the Company has conducted geological assessments of several targets across the licence through helicopter supported geological reconnaissance operations. These have been run

in parallel to those at the Sava licence.

6.8 Stendalen Licence – Strategic Minerals

a) Property description

The Corporation acquired the right to conduct exploration activities on 1,377 km² of the 2021/11 licence on February 15, 2021 and is valid until 1 March 2026. The licence is split into two areas around the Qasinngortoq and Kangerlussuatsiaq areas of South Greenland and is collectively referred to as the Stendalen licence. The licence area was reduced in December 2023 to allow the Company to concentrate efforts on the most prospective regions.

The licence package hosts two significant mineral occurrences, the first being the Stendalen layered gabbro intrusion. Stendalen has been previously explored by GEUS, Softrock Minerals and NunaMinerals A/S. The intrusion is 8km in diameter and several hundred metres thick. It hosts a continuous magnetite rich layer up to 20m thick which contains up to 20 vol% ilmenite, 10 vol% magnetite and 5 vol% pyrrhotite. Historical samples of this layer have yielded between 1-10.5 % Titanium Dioxide (TiO₂) (average of 4.8 %) and 226 – 5,753 ppm Vanadium (V) (average 2,335 ppm).

Stendalen also hosts the potential for Nickel (Ni), Copper (Cu) and Platinum Group Element (PGE) mineralisation with grab samples proving grades of 0.8% Copper (Cu), 0.5% Nickel (Ni) and 0.1% Cobalt (Co). Disseminated Ni-Cu-Co mineralisation is distributed in a 6 km long and 200 m thick contact zone on the west, north and east flanks of the intrusion, close to the contact with the underlying metasediments. There is also potential for massive magmatic sulphides.

Secondly, the Paatusoq Rare Earth Element, Niobium, Tantalum, Zirconium project is a syenite complex that is 20 km in diameter covering an area of >240 km² within an unexplored section of the Gardar Province that also hosts the Kvanefjeld and Tanbreez rare earth projects. A radiometric survey was carried out by NunaMinerals and has resulted in several high priority targets for ground-truthing, but was never followed up before NunaMinerals' bankruptcy in 2015.

b) Exploration work – Stendalen

Following the completion of a detailed airborne geophysical survey (Magnetotellurics (MT) survey over the Stendalen intrusion, a single scout drillhole was completed into the Stendalen intrusion. This confirmed that the intrusion has reach sulphide saturation a critical feature of Ni-Cu sulphide deposits. Further analysis of the textures and metal tenors suggest that the target holds potential to host a significant mineralised orebody.

Further geological mapping has shown that the intrusion is of a significant size and scale and lies upon a structural corridor that also hosts the Gardar province and Voisey's bay in Labrador. Geological results have suggested the location of potential areas of sulphide accumulations including the potential feeder zone. These will be the targets for further exploration into 2024.

c) Exploration work – Paatusoq

The Paatusoq syenite intrusion was visited and sampled in July/August 2023, with the main objectives being to follow up on historic radiometric anomalies and identify areas of mineralisation. Drone surveys were carried out to improve geological maps of the intrusion. A virtually unexplored layered gabbro intrusion in contact with the Paatusoq syenites was also visited and assessed for its similarities to the Stendalen gabbro intrusion.

Amaroq is collaborating with the University of St Andrews which has expertise in alkaline mineral systems, and significant experience with the Gardar intrusions, including at Paatusoq.

6.9 Kobberminebugt Licence – Strategic Minerals

a) Property description

The Corporation acquired the exclusive right to conduct exploration activities on licence 2022/01, approximately 220 km² of land in an area of Aputaajuitsoq in South Greenland. The licence is valid until 31 December 2026

The area hosts numerous copper-gold showings including the small past-producing Josva copper mine, which was last worked in 1914 with reported grades up to 5% Copper, 1.5 g/t Gold and 250 g/t Silver. Copper mineralisation discovered to date is found within volcanic and sedimentary sequences as disseminated stratabound sulphides, and locally enriched into layers due to strong folding or in quartz veins and breccias. Sulphide concentrations vary from 1-50% volume depending on the style of mineralisation. Some showings can be followed for several hundred metres along strike with widths of up to several metres.

Mineralisation has been interpreted as Iron-Oxide-Copper-Gold (IOCG) style by the Geological Survey of Denmark and Greenland (GEUS). The licence is located approximately 100 km west of the Sava exploration project, which is similarly targeting the South Greenland Copper Belt. Amaroq believes that the region is underexplored for IOCG, Porphyry and Skarn deposits and shows many geological similarities to the IOCG province of northern Sweden, which hosts several operating mines.

Regionally, the Kobberminebugt copper occurrences may be related to a mineral belt located along the Gardar-Voisey's Bay Fault Zone that straddles Eastern Canada and South Greenland.

b) Exploration work

The 2023 field work revolved around a detailed airborne geophysical survey flown over the entire Kobberminebugt licence in July 2023. The aim of this survey was to assess the mineral signature at the known Josva and other small historical operations, evaluate the depth and strike extensions of these away from the surface expressions and to record all other similar geophysical signatures across the prospective ground.

6.10 Naalagaaffiup Portornga (Tartoq NP) - Strategic Minerals

a) Property description

The Corporation acquired the exclusive right to conduct exploration activities on approximately 170 km² of land in an area adjacent to the Tartoq Licence. In December 2023, the Company applied for and received approval to relinquish the licence in its entirety.

b) Exploration work

No field work has been conducted in 2023 and the Corporation intends to continue its review of all compiled data ahead of future geological reconnaissance programmes.

6.11 Saarloq – Strategic Minerals

a) Property description

The Corporation acquired the right to conduct exploration activities on licence 2020/31, approximately 64 km² of land in areas of Quassugaarsuk and Sermeq Kangilleq in South Greenland. The licence is valid until 31 December 2026. This licence was reduced in size in December 2023 following recent exploration activities to allow the Company to concentrate efforts on the post prospective regions. The licence covers a large low-lying area between Qaqortoq and the Vagar licence.

b) Exploration work

Through 2022 Amaroq continued its desk-based studies on the prospectivity and exploration objectives. No field-based exploration took place during the 2022 field season. Desktop work is

ongoing as part of Amaroq's mineral system modelling. No fieldwork is planned in the licence in 2024.

6.12 Siku – Gold

a) Property description

The Corporation has acquired the exclusive right to conduct exploration activities on Exploration Licence 2022/08, approximately 251 km² of land located between both Nanoq and Jokum's shear, Nataarnaq (also known as Siku) with an expiry date of 31 December, 2026.

b) Exploration work

The Siku licence was covered by the same geophysical exploration programme as that conducted across Nanoq and Jokum's Shear in 2022. This programme and subsequent interpretation work conducted by ALS Goldspot in 2023 have confirmed the existence of two structural corridors linking the gold targets at Nanoq and Jokum Shear providing a 25km long exploration target zone.

6.13 Paatusoq West

The Corporation has been granted exclusive exploration rights under a Mineral Exploration Licence in South Greenland, licence 2023/69 covering an area of 199 km² with an expires December 31, 2027.

6.14 Nunarsuit

a) Property description

The Corporation has been granted exclusive exploration rights under a Mineral Exploration Licence in South Greenland, licence 2023/70 covering an area of 1,567.15 km². The licence application has been approved and all required documentation was signed by the Corporation on June 30, 2023, and the licence became effective on July 25, 2023. The licence expires December 31, 2027.

b) Exploration work

The Siku licence was covered by a new detailed airborne geophysical survey producing gravity, magnetics and radiometric data for further interpretation towards more detailed exploration into 2024.

6.15. Additional Exploration Target Generation

Geological research is actively progressing with SRK, the University of St Andrews, and Amaroq's internal geology team to define the resource potential within the Corporation's full licence area, as we continue to develop our exploration portfolio. Amaroq continues to refine its regional mineral systems models which show strong prospectivity for minerals including gold, copper, molybdenum, graphite, platinum group elements, nickel, rare earth elements and others across South Greenland.

Based on these studies and the results of exploration in 2022, additional exploration licences have been applied for and awarded (July 25, 2023) at Paatusoq West, Nunarsuit with a further licence applied for at Johan Dahl Land in South Greenland. Very limited exploration has been carried out in these areas and the corporation believes these licences are prospective for Rare Earth Element, Niobium, Tantalum, Zirconium, Diamond and IOCG style mineralisation.

Amaroq remains committed to employ the latest exploration techniques and technologies and align itself with exploration groups both commercial and academic in it continued pursue for the most prospective ground across South Greenland.

Amaroq Minerals Ltd.

Management Discussion & Analysis

For the year ended December 31, 2023

7. 2024 OUTLOOK

- **Permitting:** The public consultation for the Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) for Nalunaq closed on the 1st March 2024. The Corporation is following the process agreed with the Government of Greenland to respond to the small number of comments received.
- **Engineering:** Engineering for the processing plant is expected to be completed in Q2 2024.
- **Procurement and Contracting:** The remaining contracts are expected to be concluded in Q2 2024. The only outstanding major contract is the installation of the processing plant components. The quotes of different bidders are currently being evaluated and the contract will then be awarded.
- **Construction:** Placement of the process plant foundations is nearing completion. The erection of the steel structure of the process plant building is expected to commence in April 2024 and the installation of the mechanical and electrical process plant components is scheduled for the second half of 2024.
- **Mining:** The rehabilitation of the ramp from the 300 level portal to the Mountain Block is nearing completion and will be followed by the development of a ramp extending higher up into the Mountain Block. Rehabilitation of the mine will progress based on the location of future planned mining activities. The Corporation expects to mine first gold in 2024 and plans to provide a progress update with timings for guidance for the project at an investor event in June 2024. First production guidance for 2025 will be provided towards the end of 2024.
- **Support Infrastructure:** In 2024 additional containers will be added, which will allow Amaroq to accommodate in total up to 120 persons.
- **Nalunaq Exploration:** Underground focused exploration will continue to target extension of the Mountain and Target Blocks as well as further delineating the newly discovered 75 Vein.
- **Strategic Minerals:** Ni-Cu exploration will continue at the Stendalen discovery with an expanded drilling programme targeting sulphide zone. Exploration at Target West will look to further expand the identified copper mineralisation and assess high grade potential. Regional exploration will focus on additional copper targeting within the Copper belt, Ni-Cu sulphide target similar to Stendalen and rare earth element (REE) targeting at Nunarsuit.

7.1 2024 OPERATIONAL WORKPLAN

Nalunaq Development Workplan

Nalunaq

- The main ramp will be developed from 720 level upwards into the Mountain Block. Starting from the ramp, crosscuts will be driven into the main vein at different levels and then drifts will be developed following the strike of the vein. At a later stage the ore between these ore drifts will be mined using the long-hole stoping method. Later in 2024 development and exploration drilling activities will be carried out in the Target Block in parallel to the aforementioned works. Rehabilitation of the mine will be continued depending on the locations, where future mining activities are planned.

Gold Exploration Projects

Nalunaq

- Following the underground rehabilitation, exploration will now switch to underground drilling to target continued extension of both the Mountain and Target Blocks while simultaneously targeting further intersections into the 75 Vein.

Nanoq

- Following the expansion of the mineral potential at Nanoq in 2023, the Company will construct facilities and finalise exploration plans allowing Amaroq the option to conduct a maiden core drilling programme across the first target at Nanoq. In addition to this, ground

studies will be conducted to further establish the additional targets generated by the geophysical and modelling work completed in 2023.

Vagar and Surrounding Areas

- Amaroq intend to conduct a target generation programme across the Vagar licence, including Vagar Ridge and other priority areas in the local vicinity such as Eagle's Nest, aimed at delineating accessible high-grade material. It is believed that this material could constitute future high-grade feed to the Nalunaq plant as it develops and expands.

Strategic Minerals Projects (Amaroq 51%)

• **Sava Copper Belt (Sava/North Sava)**

- Exploration at Target West will concentrate on further defining Unit 1, which host the observed copper mineralisation. Mapping, sampling and a limited drilling programme will look to expand the footprint of Unit 1 and test for higher grade material at depth.
- Target generation programmes will continue across Sava, North Sava and the full extent of the Copper Belt assessing high priority porphyry and IOCG targets on the ground. The aim of this programme will be to define new areas for scout drilling.

• **Stendalen**

- Following the new Ni-Cu discovery made at Stendalen, Amaroq intent to mobilise three drill rigs and a semi-permanent camp to site to facilitate an expanded drilling programme. Drilling will focus on intersecting further target areas at the base of the Stendalen intrusion including the interpreted Feeder Zone targeting massive sulphide mineralisation.
- In addition, the Company plan to conduct further ground geophysics to provide further confidence to the overall extend and geometry of the intrusion and associated sulphide mineralisation.
- Leveraging off the data from this discovery, ground studies will also assess the potential for further target areas with Stendalen and more regionally.

• **Kobberminebugt**

- Amaroq will continue to review the results of the detailed geophysical programme conducted over the Kobberminebugt licence in 2023. Specific geophysical targets will be followed up in the field with detailed mapping and surface sampling ahead of defining more definitive targets for future scout drilling.

• **Nunarsuit**

- Geophysical data collected during 2023 is currently being fully assessed and Amaroq aim to conduct a targeted field programme on the licence during the summer of 2024. Initial targets will include specific geophysical anomalies as well as outcropping niobium bearing pegmatites.

7.2 ENVIRONMENTAL MONITORING EXPENSES

When Nalunaq A/S purchased the Nalunaq Property on October 15, 2015, it came with an escrow account for environmental monitoring and an environmental monitoring provision. This escrow account was set up in favour of the Government of Greenland as security for fulfilling the environmental monitoring expenses following the closure of the Nalunaq Gold Mine. This environmental monitoring program was completed in 2020. In 2023 closure costs associated with the remediation plan and environmental monitoring expenses were updated and the balance of cash deposit was increased to CAD598,939.

8. OFF BALANCE SHEET ARRANGEMENTS

The Corporation does not have significant off-balance-sheet arrangements other than the contractual

obligations and commitments mentioned below.

9. SUBSEQUENT EVENT

Subsequent events are described in note 23 to the December 31, 2023 Financial Statements.

10. TRANSACTIONS BETWEEN RELATED PARTIES

10.1 Gardaq Joint Venture

	2023	2022
	\$	\$
Project management income	1,714,559	-
E&E expenses	4,352,897	-
	6,067,456	-

As at December 31, 2023, the balance receivable from Gardaq amounted to \$3,521,938 (\$nil as at December 31, 2022). This receivable balance represents the current balance of project management costs and exploration and evaluation costs incurred by the Corporation for six strategic minerals licences transferred from Nalunaq A/S to Gardaq A/S. The exploration and evaluation costs incurred by the Corporation are transferred to Gardaq A/S from Nalunaq A/S in accordance with the respective clauses of the SSHA.

10.2 Debt financing

Livermore Partners LLC ("Livermore") subscribed for US\$2.4 million in principal amount of convertible notes under the convertible note offering (the "Insider Participation"). The subscription by Livermore was considered to be a "related party transaction" for purposes of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Insider Participation is exempt from the formal valuation and minority shareholder requirements under MI 61-101 in reliance upon the exemptions contained in section 5.5(a) and 5.7(1)(a), respectively, of MI 61-101. The Corporation did not file a material change report more than 21 days before the expected closing date of the convertible note offering as the details of the convertible note offering and the Insider Participation was not settled until shortly prior to the closing of the convertible note offering, and the Corporation wished to close the convertible note offering on an expedited basis for sound business reasons.

For the purposes of the AIM Rules for Companies, Fossar Investment Bank hf. ("Fossar"), ECAM LP and Livermore are related parties of Amaroq. Fossar is a company in which Sigurbjorn Thorkelsson, Non-Executive Director of the Corporation, was Chairman of the board and indirectly controlled over 30% of the capital as of the closing date. ECAM LP is an affiliate of GCAM LP, which owns a 49% interest in Gardaq A/S, an Amaroq subsidiary, and has appointed two directors to the subsidiary company board. Livermore is a company in which David Neuhauser, Non-Executive Director of Amaroq, is Managing Director.

As such, the elements of the debt financing with Fossar (US\$1.0 million off the senior debt term loans), Livermore Partners LLC (US\$2.4 million of the convertible notes), and ECAM LP (US\$16.0 million of the convertible notes) constituted Related Party Transactions in accordance with AIM Rule 13.

The Independent Directors, being the Amaroq Directors other than Sigurbjorn Thorkelsson and David Neuhauser, consider, having consulted with the Corporation's Nominated Adviser, that the terms of the transaction are fair and reasonable insofar as the Corporation's shareholders are concerned.

In September 2023, in accordance with Clause 11.2 of Revolving Credit Facility Agreement between Nalunaq A/S, Amaroq Minerals Ltd and Fossar, the Corporation paid \$20,353 (US\$15,000) to Fossar, which represented 1.5% Arrangement fee.

10.3 Nasdaq Main Market listing in Iceland (“Admission”).

The Company engaged Fossar to assist in introducing the Corporation to investors, organizing investor meetings, and advising and analysing the potential effects the Admission has on the liquidity and formation of the share price of the Corporation.

Amaroq agreed to pay Fossar USD15,000 (CAD\$ 25,000) for the engagement that ended upon the completion of Admission.

As of the date of the agreement the engagement with Fossar constituted a related party transaction. The Independent Directors, being the Amaroq Directors other than Sigurbjorn Thorkelsson, having consulted with the Company’s Nominated Adviser, were confident that the terms of the engagement with the related party are fair and reasonable insofar as the Corporation’s shareholders were concerned.

Fossar ceased to be a related party to the Corporation as a result of Fossar’s corporate restructuring closed and announced on 02 October 2023.

11. CRITICAL ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS 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 historical 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. Critical judgments, estimates and assumptions exercised in applying accounting policies with the most significant effect on the amounts recognized in the financial statements are described below.

JUDGMENTS

11.1 Impairment of mineral properties and capital assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

11.1.2 Impairment of capital assets

Determining whether to test for impairment of capital assets requires Management’s judgement, among other factors, regarding the following: whether capital assets have been in use and depreciated, did market value of capital assets decline, whether net assets of the Corporation are higher than the market capitalization, was there any obsolescence or physical damage recorded to the capital assets, was there an increase to market interest rates.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires considerable management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, Management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Corporation’ assets and earnings may occur during the next period.

With regards to the annual impairment test on Construction in Progress, the Management has assessed that the replacement cost approach is the most appropriate for determining the recoverable value of

individual assets under CIP. The Corporation has conducted the analysis based on the enquiry of the current market prices obtained from suppliers for each asset under the CIP category as well as the assessment of the recoverable value based on the general Machinery and Equipment as well as Industrial Producer Price index changes from 2021 to 2023. As a result of this analysis, the replacement value of the assets under CIP category has produced a recoverable value that was at least 20% higher than the carrying value of assets under CIP as of December 31, 2023.

11.2 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 Corporation and its subsidiary is the Canadian dollar.

11.3 Capitalisation of borrowing costs

The Corporation makes judgments on the amount of borrowing costs that are directly attributable to the acquisition of a qualifying asset.

11.4 Technical Feasibility and Commercial Viability (“TCFV”)

Management uses significant judgment to determine when TFCV is demonstrable. Technical feasibility refers to the ability to physically construct and operate a mineral project in a technically sound manner to produce a saleable mineral product while commercial viability refers to the ability to mine the mineral asset to generate a reasonable return on investment. Key considerations used to determine if TFCV has been reached included the establishment of confidence about mineralization, results and status of studies, probability of obtaining key permits, the existence of other barriers that may impact mining and the ability to generate a return on investment, confidence of project potential by the Management and the Board of Directors.

Based on the criteria described above, Management has concluded that sufficient evidence existed on September 1, 2023, for the Corporation to declare TFCV for the Nalunaq Project. September 1, 2023, was aligned with the date that the Board of Directors approved and closed the Financing package deal (note 10), thus supporting the commercial viability of the project.

ESTIMATES AND ASSUMPTIONS

11.5 Environmental monitoring costs

The provisions for environmental monitoring costs are based on estimated future costs using information available at the financial reporting date. Determining these obligations requires significant estimates and assumptions due to the numerous factors that affect the amount ultimately payable. Such factors include estimates of the scope and cost of restoration activities, legislative amendments, known environmental impacts, the effectiveness of reparation and restoration measures and changes in the discount rate. This uncertainty may lead to differences between the actual expense and the provision. At the date of the consolidated statement of financial position, environmental monitoring costs represent Management’s best estimate of the charge that will result when the actual obligation is terminated.

11.6 Restricted Share Units (“RSU”)

For the purpose of determining the fair market value of restricted share unit awards and a number of assumptions are required for input in the pricing model. Determining these assumptions requires significant level of estimates and Management’s judgement.

For equity-settled awards, assumptions must be determined at the date of the grant. Such assumptions include grant calculation date, projection period, share price at grant, exercise price, risk-free rate of interest, dividends, share price volatility and forfeitures. The uncertainty related to the choice of assumptions may lead to differences between the actual value of restricted share unit awards and their estimated fair value based on the Monte-Carlo simulation run. At the date of the consolidated statement of financial position, restricted share units award and embedded derivative value represents Management’s best estimate of

awards fair value vesting at measurement dates stipulated under the RSU award contract.

11.7 Embedded Derivative

For the purpose of determining the fair market value of the embedded derivative a number of assumptions are required for input in the pricing model. Determining these assumptions requires a significant level of estimates and Management's judgement.

Assumptions must be determined at the reporting date. Such assumptions include terms, share price on the reporting date, risk-free rate of interest and volatility.

The uncertainty related to the choice of assumptions may lead to differences between the actual value of the embedded derivative and its estimated fair value based on the Black-Scholes pricing model.

12. CHANGES IN ACCOUNTING POLICIES

The new accounting policies, most relevant standards, amendments and interpretations issued up to the date of the issuance of the 2023 Financial Statements are listed in notes 1, 2 and 3 of the Financial Statements.

13. FINANCIAL INSTRUMENTS

Financial instruments are described in notes 3.18 and 22 of the Financial Statements.

14. CONTRACTUAL COMMITMENTS AND OBLIGATIONS

The Corporation has 4 exploration licences, Tartoq, Tartoq NP, Vagar, Nuna Nutaaq, Anoritoq and one exploitation licence, Nalunaq. The total amount of future exploration obligations as at December 31, 2023 for the five exploration licences is DKK 25,156,876 (\$4,933,364 using the exchange rate as at December 31, 2023). For the purpose of crediting expenditures against the amounts set forth in these licences, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditure made. If these obligations are not met, certain measures may be taken by the licence holder to rectify the situation, including reducing the area of the licence proportionately to the spending shortfall or rolling over the exploration commitment to the next period subject to approval from the MLSA. Nalunaq A/S will submit its statements of expenses for these exploration licences for the 2023 year to the MLSA by April 1, 2024. The details of the exploration commitments are described in note 6 to the 2023 Financial Statements.

The Corporation has capital asset purchase commitments, of \$56,681,735 as at December 31, 2023. These commitments relate to contracts and purchase orders for Nalunaq mine development, process plant and support infrastructure construction, camp winterization as well as camp major upgrades and expansion.

The Corporation has presently only 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. The total amount of lease liabilities as at December 31, 2023 is \$657,440.

15. OUTSTANDING SHARES DATA

	March 25, 2024	December 31, 2023
	Number	Number
Capital stock	326,455,446	263,670,051
Stocks options	9,038,365	9,188,365
Fully diluted	335,493,811	272,858,416

16. STOCK OPTION PLAN AND RESTRICTED SHARE UNIT PLAN

16.1 Stock option Plan

The purpose of the Option Plan (the “Plan”) is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified directors, senior officers, employees and consultants of the Corporation, to reward such of these participants from time to time for their contributions toward the long-term goals of the Corporation and to enable and encourage such participants to acquire shares as long-term investments. There is no performance indicator relating to profitability or risk attached to the Plan.

The Plan was approved initially in 2017 and renewed by shareholders on June 15, 2023. 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 attributes 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.

16.2 Restricted Share Unit Plan

The success of the Corporation will depend to a high degree on the future performance of the Senior Executives in executing the Corporation’s growth strategy. The Restricted Share Unit Plan (“RSU”) was approved initially in 2022 and an amendment to the rules of the RSU Plan was approved by shareholders on June 15, 2023. The Corporation has implemented an RSU to incentivize delivery of this strategy and to align the interests of Senior Executives with those of shareholders.

Under the RSU, participants will share in a “RSU pool” of up to 10% in excess of the growth in the Corporation’s value. The Corporation’s value for purposes of the ‘RSU pool’ will be determined using a hurdle rate of 10% pa over a performance period commencing on January 1, 2022. Part of the RSU pool will be reserved for future participants. Growth in value will be based on the change in share price, with an adjustment for any dividends paid during the period (to the extent such distributions are made), based on the same number of shares in issue at the start of the performance period. Awards were granted to participants on December 30, 2022 and October 13, 2023.

17. RISK FACTORS

The following discussions review a number of important risks which management believes could impact the Corporation’s business. There are other risks, not identified below, which currently, or may in the future exist in the Corporation’s operating environment.

The mining and mineral exploration industry is risky in nature as companies have to deal with various local and global risks associated with, but not limited to environmental and social, political, regulatory, health and safety, logistical, financial, and operational. The major risks facing the Corporation are detailed in the sections below.

17.1. Risks related to the Corporation’s operations

1. The Corporation is an exploration stage Company

The Corporation is an exploration stage mining company, which currently has no mines in production and needs to conduct exploration activities to discover and develop mineral reserves on the areas of land (the “Properties”) in respect of which the Group has been granted licences by the Mineral Licence and Safety Authority of

Amaroq Minerals Ltd.

Management Discussion & Analysis

For the year ended December 31, 2023

Greenland (the “MLSA”). It cannot give assurance that a commercially viable resource (a reserve) exists on any or all Properties for which the Corporation currently has or may obtain (through potential future joint venture agreements or acquisitions) an exploration licence.

While the Nalunaq property (mineral exploitation licence 2003/05 issued by the MLSA to Nalunaq A/S (“Nalunaq Licence”)) has an operating history and Amaroq has established a defined mineral resource beyond that which was mined, the true value of the project is in the resource potential that has not as yet been sufficiently quantified, termed the “Exploration Target”. This opportunity is relatively early stage and requires the Corporation to perform additional exploration activities and there can be no certainty that this will be successful.

The Corporation’s other licence interests are each on a different stage of early development, and although a number of them are known to host gold and other minerals prospects, the Corporation will be required to conduct significant exploration activities in order to demonstrate the commercial viability of these mineral deposits. There can be no certainty that such exploration activities will result in resources and ultimately minable reserves.

Determination of the existence of a resource and subsequently a reserve, depends on appropriate and sufficient exploration programmes and the evaluation of legal, economic and environmental factors. It may take several years to advance the Corporation’s early-stage prospects to a stage where they justify development and/or production, during which time the economic feasibility of production may change.

If the Corporation fails to find a commercially viable deposit on any of its properties, its operations, financial condition and results of operations will be materially adversely affected.

2. Project development risks

There can be no assurance that the Corporation will be able to effectively manage the expansion of its operations or that the Corporation’s personnel, systems, procedures and controls will be adequate to support the Corporation’s future operations. In particular, although certain of the Directors and Executive Officers have experience of bringing mineral assets into production, the Corporation itself does not, and its ability to bring assets into production will be dependent upon using the services of appropriately experienced personnel or entering into agreements with service providers that can provide such expertise. The Corporation’s ability to commence, maintain or increase its annual production of ore in the future will be highly dependent on its ability to discover reserves and develop these licences. Any failure of the Board of Directors of the Corporation to ensure the Corporation’s growth and development could have a material adverse effect on its business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Board’s strategy will develop as anticipated. The Corporation’s profitability will depend, in part, on the actual economic returns and the actual costs of developing the licences, which may differ significantly from the Corporation’s current estimates. The development of the licences may be subject to unexpected problems and delays.

3. The Corporation relies on third-party service providers, which may fail to perform their contractual obligations, which could have materially adverse effects on the Corporation’s business

The Corporation relies in part on products and services provided by third parties in the ordinary course of business. If they fail to perform their contractual obligations, it could have materially adverse effect on the Corporation’s business. As part of its internal risk assessment, the Corporation conducts counterparty risk assessments to ensure that the third parties can supply the necessary services or products in a responsible manner that aligns with the Corporation values.

However, the Corporation cannot predict the risk of insolvency or other managerial failure by any third party in future. These events may provide interruption to services or products provided and the Corporation may be unable to find replacements on a timely basis.

The Corporation may experience difficulties in sourcing and retaining the services of suitably qualified and/or experienced sub-contractors, and the Corporation may find this more challenging given its Greenlandic operations with most third-party service providers located in other countries. The loss or diminution in the services of suitably qualified and/or experienced sub-contractors or an inability to source or retain necessary sub-contractors or their failure to properly perform their services could have a material and adverse effect on the Corporation’s business, results of operations, financial condition and prospects.

4. *Regulatory Risks*

The Corporation's business is subject to various laws and regulations relating to, among other things, compliance with capital markets, environmental, mining, energy, antitrust, data protection, employment and tax laws and regulations. While the Corporation is not aware of any material breaches of applicable laws and regulations, it can neither guarantee that it has always been in full compliance with such laws and regulations in the past in the jurisdictions in which it operates, nor that it will be able to fully comply with them in the future. The Corporation is reliant on the compliance of its directors and employees with applicable laws and policies implemented by the Corporation and there can be no assurance that directors or employees of the Corporation or third parties acting on the Corporation's behalf, have not engaged in or will not engage in criminal, unlawful or unethical behaviour.

Existing risk management and internal compliance procedures and controls may not be sufficient to prevent or detect inadequate practices, fraud or violations of law by its Directors, its employees or third parties acting on its behalf. The laws and regulations in the areas and jurisdictions in which the Corporation currently operates or may operate in the future are evolving. Consequently, such laws and regulations may change and sometimes may conflict with each other, making it more difficult to observe and comply with them.

Recently, a new legislation in Canada, the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Bill-S211) was introduced in 2023. It imposes certain obligations on CBCA incorporated companies in Canada, that meet certain requirements, including a due diligence process and reporting on supply chain risk.

During 2023 the Corporation adopted the following new policy documents to align its governance framework and elaborate a plan of actions to mitigate the risk involved.

- Human Rights, Child and Forced Labour Policy (approved by the Board on 22 December 2023). This Policy articulates our commitment to conduct business in a manner that respects the dignity and rights of all individuals impacted by our operations in Greenland. The Corporation adheres to the International Bill of Human Rights and International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, as amended in 2022.
- Supplier Code of Conduct Policy (approved by the Board on 22 December 2023). The Corporation is committed to create a path of ethical and sustainable business practices in Greenland's mining sector. By adhering to the Code, our suppliers join us in a commitment to uphold the highest standards of integrity, respect for human rights, and preservation of the environment.

5. *Undemonstrated economic feasibility of the Nalunaq Property*

The current mineral resources have not yet demonstrated economic viability. The Inferred mineral resource estimate included in the NI 43-101 report titled "Technical Report on the mineral resources of the Nalunaq Project, Greenland" dated 15 October 2022, "43-101 report" nor the details provided within the Competent Person's Report (the "CPR") by SRK Exploration Services Ltd., titled "A Competent Person's Report on the Assets of Amaroq Minerals Ltd, South Greenland" dated June 26, 2020 constitute a formal preliminary economic assessment or part of prefeasibility or a feasibility study. The Corporation has not completed a formal preliminary economic assessment or prefeasibility or feasibility level work and analysis that would allow it to declare proven or probable mineral reserves at the Nalunaq Property, and no assurance can be given that it will ever be in a position to declare a proven or probable mineral reserve at the Nalunaq Property. In particular, the CPR contains estimated costs which are based upon anticipated tonnage and grades of metal to be mined and processed, the expected recovery rates and other factors - none of which has been completed to date to a prefeasibility or a feasibility study level. Whether the Corporation succeeds in upgrading the Inferred mineral resource depends on a number of factors, including: (i) the particular attributes of the deposit (including its size, grade and geological formation); (ii) the market price of gold; (iii) government regulations (including regulations relating to taxes, royalties, land tenure, land use and permitting); and (iv) environmental regulations. The Corporation cannot determine at this time whether any of its estimates will ultimately be correct or that the Nalunaq Property will prove to be economically viable. Therefore, it is possible that the Nalunaq Property may never reach production, which would have a material adverse effect on its results of operations and financial condition.

6. *Historical costs and operational data may not be available, or may not be an appropriate measure for assessing the future economics of the assets*

The majority of the Corporation's mineral licences had no previous operations and there is no historical data

from which an assessment of commercial viability can be made. While the Nalunaq Property has an operating history, the Exploration Target potential over and above the Inferred mineral resource, may represent the long-term future of the Nalunaq Property, it is at an early stage. Future mining and processing methods may differ to those used historically and thus historical operating costs, capital spending, site remediation costs or asset retirement obligations may not be applicable as benchmarks.

The Vagar and Nanoq licences host several gold prospects. The exploration activities on both licences are at an early stage with no operating history upon which to base estimates of future operating costs, future capital spending requirements or future site remediation costs.

The Sava, Stendalen, Paatusoq and Kobberminebugt licences host strategic minerals and base metals. All Properties are at an early stage of exploration and have no operating history upon which to base estimates of future operating costs, future capital spending requirements or future site remediation costs.

7. The adverse effect on the Corporation due to loss of certain key individuals and lack of insurance to compensate such loss

The Corporation's success depends to a degree upon certain key members of the management. Those individuals have developed important government and industry relationships; they have historic knowledge of the Properties which is not recorded in tangible form or shared through data rooms; and they have extensive experience of operating in Greenland. They are a significant factor in the Corporation's growth and success.

The loss of such individuals could result in delays in developing the Properties and have a material adverse effect on the Corporation.

The Corporation does not currently have key man insurance in place in respect of any of its directors or officers nor does the Corporation plan to introduce such insurance.

8. The Corporation may experience difficulty attracting and retaining qualified staff to meet the needs of its anticipated growth

Recruiting and retaining qualified personnel is critical to the Corporation's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. To manage its growth, the Corporation may have to attract and retain additional highly qualified management, financial and technical personnel and continue to implement and improve operational, financial and management information systems. Although the Corporation believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success. Failure to attract, recruit and retain key management and key employees with the acquired knowledge may delay the Corporation's achievement of its business objectives significantly and could have a material adverse effect on the Corporation's business.

9. The ability of a shareholder outside Canada to bring an action against the Corporation may be limited under law

The ability of the Shareholders to bring actions or enforce judgements against the Corporation or the members of the Board may be limited. The ability of Shareholders outside Canada to bring an action against the Corporation may be limited under law. The Corporation is incorporated under the Canada Business Corporations Act (the "CBCA"). The rights of holders of Common Shares are governed by the CBCA and by the Corporation's Articles of Incorporation and By-Laws. These rights differ from the rights of shareholders in typical Icelandic companies. A shareholder outside Canada may not be able to enforce a judgement against the Corporation or some or all of the Directors and executive officers. Consequently, it may not be possible for a shareholder outside Canada to effect service of process upon the Corporation or the Directors and executive officers within the shareholder's country of residence or to enforce against the Corporation or the Directors and executive officers within the shareholder's country of residence or to bring an action against the Corporation. There can be no assurance that a shareholder will be able to enforce any judgements in civil and commercial matters or any judgements under the securities laws of countries other than Canada against the Corporation or the Directors or executive officers who are residents of Iceland or countries other than those in which judgement is made. In addition, Canadian or other courts may not impose civil liability on the Corporation or the Directors or executive officers in any original action based solely on foreign securities laws brought against the Corporation or the Directors in a court of competent jurisdiction in Iceland or other countries.

10. Internal controls

The Corporation has established a system of internal controls for financial reporting. Effective internal controls are necessary for the Corporation to provide reliable financial reports and to help prevent fraud. Although the Corporation has procedures in place in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian and Icelandic securities laws as well as the rules and policies of the exchanges on which the Corporation is listed or quoted (TSX-V, AIM and Nasdaq), the Corporation cannot be certain that such measures will ensure that the Corporation will maintain adequate control over financial processes and reporting. Failure to implement required controls, or difficulties encountered in their implementation, could harm the Corporation's results of operations, or cause it to fail to meet its reporting obligations. If a material weakness is discovered, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Corporation's financial statements and adversely affect the market price of the Shares or other Securities and the reputation of the Corporation.

11. The Corporation is exposed to risks from potential future litigation and other legal and regulatory actions and risks, and could incur significant liabilities and substantial legal fees.

While the Group is not aware of any current or anticipated litigation, the Group may become a party to legal disputes, administrative proceedings and government investigations. Such legal disputes, proceedings and investigations may, in particular, arise from its relationships with its contractual counterparties or public authorities and could allege, among other things, breaches of contract, tort or the failure to comply with

applicable laws and regulations. There may also be investigations by governmental authorities into circumstances of which the Corporation is not currently aware or which may arise in the future, including possible regulatory and environmental complaints, licencing challenges or criminal proceedings.

If the Corporation were to be found liable under any such claims, lawsuits or investigations it might be required to pay damages or fines and to take, or refrain from taking, certain actions and it could incur substantial costs and divert substantial amounts of management's time in dealing with them, even if they are unsuccessful, any of which could adversely affect its business, net assets, financial condition, cash flow, and results of operations.

12. Information systems security threats

The Corporation's operations depend upon information technology systems which may be subject to disruption, damage, or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks, and defects in design.

The Corporation may experience security breaches or unexpected disruptions to its systems which could in turn, result in liabilities or losses to the Corporation and have an adverse effect on the Corporation's business.

Although to date the Corporation has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Corporation's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Corporation may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

17.2. Risks related to the industry

1. Mineral exploration and associated activities are speculative in nature

Mineral exploration is a speculative business, characterised by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, although present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Corporation may be affected by numerous factors which are beyond the control of the Corporation and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties,

allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Corporation not receiving an adequate return on investment capital.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralised deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of mineral reserves, mineral resources and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

2. Title to the Properties cannot be guaranteed and may be subject to prior unregistered agreements, transfers or claims and other defects

The Corporation cannot guarantee that title to the Properties will not be challenged. Title insurance is generally not available for mineral properties and the Corporation's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. The Properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. A successful challenge to the precise area and location of these mineral rights could result in the Corporation being unable to operate on the Properties as permitted or being unable to enforce its rights with respect to the Properties.

3. Development and exploration activities depend, to one degree or another, on adequate infrastructure

Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs and are made more challenging through Greenland's nascent mining industry, low population density, and the remote location of the Corporation's assets. The Corporation's inability to secure adequate water and power resources, as well as other events such as unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Corporation's operations, financial condition and results of operations.

4. There is no assurance as to the Group's ability to sustain and expand mineral resources

The life of a mining operation is limited to its mineral resources and reserves.

Many factors are involved in the determination of the economic viability of a mineral deposit including the achievement of satisfactory mineral resource and Reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and the estimate of future commodity prices and exchange rates. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of gold from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involve uncertainties and as a result the Corporation cannot give assurance that the Group's development of the Properties will become operating mines. If a mine is developed, actual operating results may differ from those anticipated, thereby impacting the economic viability of the mine and Property.

5. The Corporation depends on the Properties and there is no assurance that the Corporation will be able to acquire other properties either due to availability, competition or approval

The Properties are the only material properties of the Corporation. Any material adverse development affecting the progress of the Properties, in particular the Nalunaq Property, will have a material adverse effect on the Corporation's financial condition and results of operations.

If the Corporation loses or abandons its interest in the Properties, there is no assurance that it will be able to acquire another mineral property of merit, whether by way of direct acquisition, option or otherwise.

6. Commodity price volatility may adversely affect the Corporation

If the Corporation commences production, profitability will be dependent upon the market price of gold. Gold

prices historically have fluctuated widely and are affected by numerous external factors beyond the Corporation's control, including but not limited to, industrial and retail demand, central bank lending, sales and purchases of gold, forward sales of gold by producers and speculators, levels of gold production, short-term changes in supply and demand because of speculative hedging activities, confidence in the global monetary system, expectations of the future rate of inflation, the strength of the US\$ (the currency in which the price of gold is generally quoted), interest rates, terrorism and war, and other global or regional political or economic events.

The valuation of the Corporation's other assets is further dependent upon the market price of other commodities such as copper, nickel, titanium, vanadium, molybdenum, and rare earth elements. The volatility of these commodities varies significantly and are a product of industrial supply and demand, underlying global economic conditions, macroeconomic factors, global inventory levels and investor sentiment.

7. The Corporation's insurance does not cover all of its potential losses, liabilities and damage related to its business

The Corporation has adequately insured the assets at the Nalunaq Property. For the whole duration of the construction period of Nalunaq Project the Corporation has obtained Builders and Wrap-up liability insurance package to adequately protect the Corporation's assets, employees and contractors at the time of intensive construction activities. However, exploration, development and production operations on mineral properties may involve numerous other risks, including:

- unexpected or unusual geological operating conditions;
- rock bursts, cave-ins, ground or slope failures;
- fires, floods, earthquakes, avalanches and other environmental occurrences;
- political and social instability that could result in damage to or destruction of mineral properties producing facilities, personal injury or death, environmental damage;
- delays in mining caused by industrial accidents or labour disputes;
- changes in regulatory environment;
- monetary losses; and
- possible legal liability.

It is not always possible to obtain insurance against all such risks and the Corporation may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against certain risks may not be available to the Corporation or to other companies in the mining industry on acceptable terms. If such liabilities arise and are not covered by insurance, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Corporation. Insofar as certain Directors and officers of the Corporation hold similar positions with other mineral resource companies, conflicts may arise between the obligations of these Directors and officers to the Corporation and to such other mineral resource companies.

8. The Corporation is subject to the risks and liabilities associated with possible accidents, injuries or deaths on the Properties

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licences, affect the reputation of the Corporation and its ability to obtain further licences, damage community relations and reduce the perceived appeal of the Corporation as an employer.

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

9. Uncertainty associated with mineral resource estimates

The estimation of mineral resources involves a certain degree of supposition, and the accuracy of these estimates is a function of the quality and quantity of available data and the assumptions used and judgements made in interpreting information. There is significant uncertainty in any resource estimate and the assumptions used or judgements made may prove to be inaccurate; the economic viability of mining may differ materially from the Corporation's estimates. This is particularly the case for ore deposits such as those at the Nalunaq

Property where the grade is not uniformly distributed in the ore. As further information becomes available through additional field work and analysis, the estimates are likely to change. This may result in alterations to development and mining plans, which may in turn adversely affect the financial position of the Corporation. No assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realised or that mineral resources can be mined or processed profitably. Actual resources may not conform to geological, metallurgical or other expectations and the volume and grade of ore recovered may be below or above the estimated levels. Lower market prices, increased production costs, reduced recovery rates and other factors may render the Group's mineral resources uneconomic to exploit and may result in a revision of its resource estimates from time to time. Resource data is not indicative of future results of operations. If the Group's actual mineral resources are less than current estimates, its results of operations and financial condition may be materially impaired.

10. Increased competition may affect the Corporation and its business

The mining industry is intensely competitive in all of its phases. A number of other mining companies may seek to establish themselves in Greenland and have already, or may be allowed to, tender for exploration and mining permits and other services, supplies or contracts, thereby providing competition to the Corporation. The Corporation will compete with numerous other local and international companies and individuals, including larger competitors with access to greater financial, technical and other resources than the Corporation, which may give them a competitive advantage in the exploration for and commercial exploitation of attractive properties. In addition, actual or potential competitors may be strengthened through the acquisition of additional assets and interests and competition could adversely affect the Corporation's ability to acquire suitable additional properties in the future. The Corporation's success will depend on its ability to develop the Properties and in addition, select and acquire exploration and development rights on other properties and there can be no assurance that the Corporation will continue to be able to compete successfully with its rivals.

11. The Corporation may be adversely affected by general macroeconomic conditions

The Corporation's performance is influenced by general macroeconomic conditions. General macroeconomic conditions include the global economic slowdown, the overall disruption of global supply chains and distribution and changing economic cycles. These cycles are also influenced by global political events, such as terrorist acts, war and other hostilities as well as by market specific events, such as shifts in consumer confidence and consumer spending, the rate of unemployment, industrial output, labour or social unrest and political uncertainty.

There is great uncertainty concerning the European and global economic development. The Russian invasion of Ukraine has also created significant uncertainty and market volatility and could have adverse effect on European and global economies.

Besides, a widespread outbreak of an infectious illness such as the COVID-19 pandemic, may result in travel restrictions, disruption of healthcare services, prolonged quarantines, supply chain disruptions, business closures, lower consumer demand, layoffs, defaults and other significant economic, social and political impacts.

All these factors could have material adverse effect on the Corporation's business, financial condition, results of operations and growth prospects.

12. Climate change and its associated risks may adversely affect the Corporation's operations

The Corporation recognizes considerable risks posed by climate change to mining operations. Potential extreme weather conditions and shifts in climate patterns present substantial operational challenges.

Physical and Environmental Risks: Effects of climate change, such as extreme weather events, changes in precipitation and storm patterns, water scarcities, alterations in sea levels, and increased temperatures, may negatively impact operations. These conditions can disrupt mining and transportation activities, hinder mineral processing and rehabilitation efforts, cause equipment damage or loss, and elevate health and safety concerns. Additionally, environmental changes could exacerbate resource shortages, affecting the workforce and communities around sites.

Supply Chain Vulnerabilities: The Corporation's operations depend on a steady supply of crucial commodities and inputs. Climate-induced extreme weather events or other disruptions could significantly impede the delivery

of these necessities, affecting operational efficiency. Any sustained interference with the supply chain or fluctuations in input prices or availability could diminish production levels, potentially leading to operational shutdowns or delays, adversely impacting profitability.

Energy Consumption and Emissions: Operations heavily depend on energy, for everything from plant operations to mobile equipment. The level of greenhouse gas emissions is influenced by factors such as the energy mix and specific project activities, including new mine operations, which can cause temporary spikes in emissions levels.

Regulatory Risks: In response to climate change, governments and international bodies are increasingly enacting and considering regulations aimed at reducing greenhouse gas emissions. These measures, along with the potential outcomes of ongoing international climate negotiations, could impose significant compliance costs on operations. The evolving regulatory landscape represents a critical risk to the operational viability and financial success of the Corporation, necessitating proactive adaptation and mitigation strategies to safeguard the business against the adverse effects of climate change.

17.3. Risks related to the Corporation's financial situation

The Corporation is exposed to various financial risks resulting from both its operations and its investment activities. The Management manages financial risks. The Corporation does not enter into financial instruments agreements, including derivative financial instruments, for speculative purposes. The Corporation's main financial risks exposure is described below.

1. The Corporation's liquidity is uncertain, and it could encounter difficulty in meeting obligations associated with financial liabilities

Liquidity risk is the risk that the Corporation encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets or having to do so at excessive cost. The risk arises from maturity mismatch between financial liabilities and financial assets. The Corporation may be exposed to financing and liquidity risks if it fails to adequately manage its financial structure. The Corporation currently does not have any income and the Corporation does not expect to generate revenue in the near future. As external financing constitutes a part of the Corporation's operations, any difficulties in obtaining financing for capital expenditures, acquisitions or refinancing existing obligations, or the sole availability of financing on terms disadvantageous to the Corporation, could have a material negative impact on its operations, earnings and/or financial position.

The inability to secure financing may impact the liquidity of the Corporation, which may in turn have a material negative impact on its ability to meet debt obligations or conduct operations. Even if the Corporation can raise sufficient liquidity, it may be on unfavourable terms and thus have a material negative effect on the profitability of the Corporation. Lack of available and favourable financing may also impact the Corporation's ability to capitalise on investment opportunities.

On September 1, 2023 the Corporation has finalized and closed Debt Financing deal for a total of US\$50.9 million.

On February 23, 2024 the Corporation closed the fundraising with net proceeds of approximately of GBP44 million.

The Debt Financing, fundraising of equity capital together with existing capital, is expected to accelerate the mining activities of Nalunaq Project and other associated works to enable a smooth transition of the processing plant to a 300 tonnes per day nameplate capacity, installation of floatation circuit and dry-stack tailings facility to increase recoveries. The Corporation has moved its already engineered and manufactured components of the processing plant that have been purchased and have a carrying value of US\$8.5 million.

The Corporation retains a prudent and diligent approach to commencing trial mining activities at Nalunaq, and plans to de-risk the project in a staged approach, including rehabilitating existing mining areas, extending exploration activities and converting current mineral resources ahead of commencing full-scale production.

While the Corporation has secured financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be

available on terms which are acceptable to the Corporation.

2. The Corporation could have insufficient funds to determine whether commercial mineral deposits exist on its Properties

The Corporation requires substantial funds to determine whether mineral reserves exist on the Properties beyond an Inferred mineral resource. Any potential development and production of the Properties depends upon the results of exploration programmes and feasibility studies and the recommendations of duly qualified engineers and geologists. Such programmes and studies require substantial funds. Any decision to further expand the Corporation's operations on the Properties is anticipated to involve consideration and evaluation of several significant factors including, but not limited to:

- costs of bringing a property into production, including exploration work, preparation of production feasibility studies, and construction of production facilities;
- availability and costs of financing;
- ongoing costs of production;
- market prices of the minerals to be produced;
- environmental compliance regulations and restraints; and
- political climate and/or governmental regulation and control.

3. The Corporation's financial statements are based in part on assumptions and estimates, which, if inaccurate, could lead to future losses

The Corporation's financial statements are prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Preparation of its financial statements requires the Corporation's management to use estimates and assumptions. Accounting for estimates requires the Corporation's management to use its judgement to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Corporation could be required to write down its recorded values. On an ongoing basis, the Corporation re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

4. The Corporation is exposed to fluctuations in exchange rates

A portion of the Corporation's undertakings will be in Greenland although the majority of the Corporation's expenditure will relate to goods or staff sourced from other countries including, but not limited to, Canada, Iceland and the UK. The Corporation estimates that expenses, capital expenditure and commitments will be primarily denominated in Danish Krone, Euros, Canadian dollars, U.S. dollars and UK Pound Sterling. This results in the expenditure and cash flows of the Corporation being exposed to fluctuations and volatilities in exchange rates, as determined in international markets. Furthermore, as the Corporation will report its financial results in Canadian dollars, the Corporation is exposed to translation risk, and its financial results, as well as the amount of funds available to pay future dividends should a dividend be proposed, will fluctuate with changes in exchange rates. Changes in exchange rates are outside the Corporation's control.

5. Changes in accounting policies or accounting standards could affect the Corporation

The Corporation may be impacted by changes in accounting policies or accounting standards and the interpretation of such policies and standards. In some cases, the Corporation may be required to apply a new or revised standard, or alter the application of an existing standard, subsequently, calling for a restatement of prior period financial statements necessary. There is uncertainty surrounding the Corporation's judgement, estimates and assumptions, therefore the Corporation cannot guarantee that it will not be required to make changes to the accounting estimates or restate prior financial statements in the future, which could materially and adversely affect the Corporation.

6. Fair value risk

According to the International Financial Reporting Standards ("IFRS") principles the Corporation initially records all financial instruments at Fair value. Fair value of some assets and liabilities are sensitive to changes in market interest rates, especially in a more volatile market environment. Fair value estimates are made at the

consolidated statement of financial position date, based on relevant market information and other information

about financial instruments. As at December 31, 2023, the Corporation's financial instruments are cash, escrow account for environmental monitoring, trade and other payables and lease liabilities. For all the financial instruments, the amounts reflected in the consolidated statement of financial position are carrying amounts and approximate their fair values due to their short-term nature.

7. Credit risk

Credit risk is the risk that one counterparty to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's cash and escrow account for environmental monitoring are exposed to credit risk. The account balance is not considered to be material. Corporation identifies this as a risk because the Corporation's ability to fulfil obligations to the Government of Greenland in case of a request to use the funds for reclamation activities depend on the bank's fulfilling its obligations. The risk is, however, not material because the Bank of Greenland (GrønlandsBANKEN A/S) is the largest bank in Greenland founded by Danish banks, with a long history of being a reliable business partner and a low risk of any non-liquidity event. On the other hand, in any event of default by the Bank of Greenland, the Corporation's obligations to the Government of Greenland will be fulfilled with the funds that are kept in Canadian or Icelandic banks.

17.4. Risks related to operating in Greenland

1. The Corporation may lose its interest in licences

The main operations are in Greenland. Interests in licences in Greenland are for specific terms and carry with them estimated annual expenditure and reporting commitments, as well as other conditions requiring compliance. The Corporation could lose title to, or its interest in, the Licences if their conditions are not met. In particular, the Nalunaq Property is currently within the Nalunaq Licence. Under the current terms of the Nalunaq Licence, the Nalunaq Property is required to commence mine production by 1 January 2026 although the scale of this production is not specified. Failure to satisfy any of the conditions set forth in addendums to the Nalunaq Licence may result in the MLSA revoking the Nalunaq Licence without further notice. There is no guarantee that, when the Licences reach the end of their current term, they will be renewed or, if they are renewed, that such renewal will be on the same terms. Under Section 88 of the Greenland Parliament Act No. 7 of 7 December 2009 on mineral resources and mineral resource activities (Mineral Resources Act), a direct or indirect transfer of a licence granted under the mineral resources Act to a third party is subject to approval by the Government of Greenland. An "indirect transfer" includes any transfer of ownership interests that will affect the controlling interest of the licensee and would include any transfer of shares in Nalunaq A/S (as licensee) or of Amaroq that would result in any single shareholder, or group of shareholders who act collectively, (a) owning or controlling a majority of the voting shares of the company; (b) owning or controlling a majority of the total shares of the company; (c) directly or indirectly having the right to appoint or remove the majority of the board of directors of the company; or (d) directly or indirectly, holding majority influence over either the board or the management of the company. Any such indirect transfer would require approval from the Government of Greenland and, if such approval were not obtained, could result in the revocation of the licences.

2. The Corporation's operations depend on permits and government regulations

The Corporation's future operations on the Properties, including exploration and any development activities or commencement of production on the Properties, require permits and approvals from various governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, protection of endangered and protected species, treatment of indigenous people, mine safety and other matters. All activities covered by licences granted under the mineral resources Act must be approved by the Government of Greenland before implementation in accordance with the terms laid down in the relevant licence. In particular, works performed in connection with activities under the mineral resources Act (including drilling, shaft sinking, driving of drifts, etc.) must in each case be approved by the Government of Greenland before implementation; before exploitation is initiated, the Government of Greenland must have approved an exploitation plan for the enterprise, including production organisation and related facilities; and the licensee must also submit a closure plan in connection with an application for approval of exploitation measures (the Government of Greenland must approve the closure plan before exploitation is initiated which may be subject to terms relating to protection of the environment and safety and health measures after the cessation of activities, including monitoring in a period after closure).

To the extent that such permits or approvals are required and not obtained, the Corporation may be delayed or prohibited from proceeding with planned exploration or development of the Properties. The costs and delays associated with obtaining necessary permits or approvals and complying with their terms and applicable laws may have a material adverse effect on the operations, financial condition, and results of the Corporation.

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

The Government of Greenland may from time to time change the Greenland Exploration Standard Terms (“Greenland Exploration Standard Terms”) and the royalties imposed on proceeds from mineral exploitation. In particular, Addendum No. 3 of 1 July 2014 to the Greenland Exploration Standard Terms provides that, for licences granted on 1 July 2014 or later, new rules and regulations may be made which amend the terms of such licence (with prospective effect) in accordance with the terms of such Addendum. The Greenland parliament (Inatsisartut) may also amend or replace the mineral resources Act. Amendments to the terms one, or more, of the Licences could make the Licence uneconomic for the Group.

3. The Group’s operations are subject to compliance with environmental laws and regulations

The Corporation’s operations are subject to environmental and social regulations, this results from increased societal and local communities’ pressure in the jurisdictions in which it operates, also from other stakeholders’ expectations e.g. investment market participants.

After a long preparation period, that continued through the whole 2023, the Corporation’s project Nalunaq Gold Mine has entered into the official process of public consultations in Greenland with regard to Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA). The EIA and SIA reports were filed in December 2023 with Greenland MLSA and are publicly available.

The environmental risks were evaluated by the Corporation and described in EIA and SIA in detail; with the mitigation measures included into relevant project elements design and action plans. Based on the EIA and SIA the ESG Risk Register was created at the end of 2023; the ESG risk management system will be elaborated and set up during 2024.

As a result of public consultations, the agreements with Greenlandic authorities will be negotiated and signed regarding the Environmental Monitoring Program, including quantitative targets, and the Impact Benefits Agreement (for social responsibility commitments). These agreements will determine some of the Corporation’s liabilities and requirements regarding compliance with local ESG regulation.

The Corporation recognizes the importance of social and environment responsibility, close co-operation and building long-lasting partnership with the host communities.

Therefore, the Corporation has adopted during 2023 a set of new policy documents that, along with earlier adopted documents, constitutes a governance framework for an environmental risk mitigation system, including:

- Environmental Policy (approved by the Board on 28 August 2023). This policy constitutes the Corporation’s commitment to social responsibilities, the health and safety of its employees and respect for the environment where it operates and outlines its guiding principles in this regard.
- Health and Safety Policy (approved by the Board on 28 August 2023). The Corporation is committed to the goal of Zero Harm and aims to eliminate all accidents and potential hazards and reach our objective of zero injuries. Achieving this requires the full understanding of everyone in the organization of their safety responsibilities and their commitment to fostering a proactive safety culture, based on a duty of care for oneself, ones co-workers and members of the community.
- Human Development Policy (approved by the Board on 22 December 2023). This policy embodies the dedication to not only adhering to the highest standards of industry practice but also to respecting the distinctive cultural and environmental landscape of Greenland.

The Group is subject to potential risks and unanticipated liabilities associated with its activities, including negative impacts to the environment from operations, waste management and site discharges. The Corporation

is aware that chemicals have been left at the Nalunaq Property by the previous operator and Nalunaq A/S has agreed a remediation plan with the MLSA in relation to how such chemicals will be disposed of. However, previous operations may have caused environmental damage at certain of the Group's properties. It may be difficult or impossible to assess the extent to which such damage was caused by the Group or by the activities of previous operators, in which case the Group may be responsible for the costs of reclamation. It should be noted however that after the mine was closed in 2014, a 5-year environmental monitoring programme was undertaken, and the Danish Centre for Environment and Energy (DCE) assessed that the environmental impact from the former mining activities to the environment at Nalunaq at that time was insignificant and that no further actions were needed to reduce the environmental impact.

Although the Group does have pollution insurance cover during the field season, to the extent that the Group is subject to environmental liabilities that are not covered in full by such insurance, the payment of any liabilities or the costs that may be incurred to remedy environmental impacts would reduce funds otherwise available for operations. The anticipated costs associated with the remediation plan that has been agreed between Nalunaq A/S and the MLSA are CAD 598,939 (including a 10 percent contingency). This is fully covered by funds in an escrow account, held by Nalunaq A/S, which the Government of Greenland is beneficiary of. As of December 31 2023, the balance of the cash deposit was CAD 598,939. However, it is possible that the escrow funds will not be sufficient to cover future environmental liabilities in connection with the Nalunaq Licence.

If the Group is unable to remedy an environmental problem fully, it may be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential financial exposure may be significant.

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. In particular, as mineral resources in Greenland have become more accessible in recent years due to global warming, local communities have raised concerns over the environmental impact of mining in Greenland, and they may lobby for stricter environmental regulations to be introduced. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Group's operations.

4. The Corporation is subject to political risks

The Corporation's underlying business interests will be located and carried out in Greenland. As a result, the Corporation may be subject to political and other uncertainties, including but not limited to, changes in politics or the personnel administering them, nationalisation or expropriation of property, cancellation or modification of contractual rights, foreign exchange restrictions, currency fluctuations, royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which the Corporation's operations are conducted.

The Ministry of mineral resources and Justice has responsibility for the mineral resources area in Greenland. The political condition in Greenland is generally stable; however, changes in exchange rates, control of fiscal regulations and regulatory regimes, labour unrest, inflation or economic recession could affect the Corporation's business. The management of the Corporation will closely monitor events and take advice, if necessary, from experts to prepare for any eventualities.

5. Exploration activities are influenced, amongst others, by the location, its climate and terrain

The Properties are in remote locations in a global context, although not in a Greenlandic context, and require people and equipment to be transported to site, which can add to the complexity and cost of exploration activities and logistics. The climatic conditions allow for surface exploration activities to occur for only a portion of the year, although this should not affect underground exploration, which will limit the amount of surface exploration activity that can be conducted in any one year.

The Nalunaq Property and other areas of exploration potential are located on steep mountainous terrain. Surface drilling can therefore be impractical in certain parts of these assets, resulting in a greater reliance on underground exploration.

6. Weather conditions could have negative impact on the Corporation's on-going operations and results of operation

Adverse weather conditions may affect the Corporation's ability to carry on operations at the Properties. While the exact effect of these factors cannot be accurately predicted, it may result in substantial delays or

operational shutdowns, may require significant capital outlays or may result in an inadequate return or loss on invested capital. In addition, the materialisation of this risk may adversely affect the Corporation's future earnings and competitive position and its business, prospects, financial condition and results of operations.

18. DISCLOSURE CONTROLS AND PROCEDURES

The President and Chief Executive Officer (the "CEO") and the Chief Financial Officer (the "CFO") of the Corporation are responsible for establishing and maintaining the Corporation's disclosure controls and procedures ("DCP") including adherence to the Disclosure Policy adopted by the Corporation. The Disclosure Policy requires all staff to keep senior management fully apprised of all material information affecting the Corporation so that they may evaluate and discuss this information and determine the appropriateness and timing for public disclosure.

The Corporation maintains DCP designed to ensure that information required to be disclosed in reports filed under applicable Canadian securities laws, is recorded, processed, summarized and reported within the appropriate time periods and that such information is accumulated and communicated to the Corporation's management, including the CEO and CFO, to allow for timely decisions regarding required disclosure.

In designing and evaluating DCP, the Corporation recognizes that any disclosure controls and procedures, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met, and management is required to exercise its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

The CEO and CFO have evaluated whether there were changes to the DCP during the three and twelve months ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, the DCP. No such changes were identified through their evaluation.

19. INTERNAL CONTROL OVER FINANCIAL REPORTING

The Corporation's management, including the CEO and the CFO, are responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") for the Corporation to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The fundamental issue is ensuring all transactions are properly authorized and identified and entered into a well-designed, robust and clearly understood accounting system on a timely basis to minimize risk of inaccuracy, failure to fairly reflect transactions, failure to fairly record transactions necessary to present financial statements in accordance with IFRS, unauthorized receipts and expenditures, or the inability to provide assurance that unauthorized acquisitions or dispositions of assets can be detected.

The Corporation's ICFR may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because changes in conditions or deterioration in the degree of compliance with the Corporation's policies and procedures.

The CEO and CFO have evaluated whether there were changes to the ICFR during the three and twelve months ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, the ICFR. No such changes were identified through their evaluation.

20. FORWARD LOOKING INFORMATION

Certain statements in this Management Discussion and Analysis constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws. Such statements and information involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the company, its projects, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "may",

Amaroq Minerals Ltd.
Management Discussion & Analysis
For the year ended December 31, 2023

"would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict" and other similar terminology, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. These statements reflect the Corporation's current expectations regarding future events, performance and results and speak only as of the date of this Management Discussion and Analysis.

Forward-looking statements and information involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indicators of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements or information, including, but not limited to: material adverse changes, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts with the company to perform as agreed; social or labor unrest; changes in commodity prices; and the failure of exploration, refurbishment, development or mining

programs or studies to deliver anticipated results or results that would justify and support continued exploration, studies, development or operations.

Amaroq's operational performance and financial results reflect our commitment to sustainable growth. We remain dedicated to maximizing value for our shareholders while adhering to responsible mining practices and managing potential risks proactively.

March 26, 2024

(s) "Eldur Ólafsson"
Eldur Ólafsson
President, CEO and Director

(s) "Jaco Crouse"
Jaco Crouse
CFO