Amaroq Minerals Ltd.

ANNUAL REPORT

AND

FINANCIAL STATEMENTS 2024

CONTENTS

CORPORATE INFORMATION

DIRECTORS:

Graham Stewart, Non-Executive Chairman

Eldur Olafsson, Founder and Chief Executive Officer

Liane Kelly, Senior Independent Director

Sigurbjorn ('Siggi') Thorkelsson, Non-Executive Director

Line Frederiksen, Non-Executive Director

David Neuhauser, Non-Executive Director

Warwick Morley-Jepson, Non-Executive Director

Jaco Crouse, Chief Financial Officer (to 03 June 2024)

Sander A.J.R. Grieve[1] (from 14 June 2024 to 19 June 2024)

CORPORATE SECRETARY:

Anna Solotova

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Icelandic ID Number: 600122-9910

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AUDITORS:
BDO Canada LLP

NOMINATED ADVISER & BROKER:
Panmure Liberum Ltd

[1]Sander A.J.R. Grieve, a partner at Bennett Jones LLP, was nominated to satisfy the director residency requirement applicable as of the date of the General and Special meeting of Shareholders 14 June 2024. In accordance with a prior agreement, Mr. Grieve stepped down from the Board upon completion of the Company's continuance from the Canada Business Corporations Act to the Business Corporation Act (Ontario) on 19 June 2024.

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SUBSIDIARIES:

Nalunaq A/S – c/o Nuna Advokater, Qullilerfik 2, 6. Postboks 59, GL-3900 Nuuk, Greenland. Amaroq ownership interest – 100%. The subsidiary holds the gold mineral resource licences in the Group.

Gardaq A/S – c/o Nuna Advokater, Qullilerfik 2, 6. Postboks 59, GL-3900 Nuuk, Greenland. Amaroq ownership interest and voting power – 51%. The subsidiary holds the non–gold strategic mineral resource licences in the Group.

There are no additional reporting requirements for these subsidiaries at present.

STRATEGIC REPORT

I. Introduction

This Strategic Report has been prepared for the year ended 31 December 2024, to provide shareholders and other stakeholders with a clear and balanced view of the performance, development, position and future prospects of Amaroq Minerals Ltd. (“Amaroq”, the “Corporation” or the “Company”).

This report explains how Amaroq generates and preserves long-term value, the principal factors and trends likely to affect its future development and performance, and the key risks and uncertainties facing the business. It should be read in conjunction with the remainder of this Annual Report, including the Financial Statements, the Directors’ Report, and the Corporate Governance Report.

Unless otherwise stated, all references to "$" are to Canadian dollars, the same currency that Amaroq Minerals Ltd. uses in its financial statements.

II. Business model and Strategy

Amaroq is an independent mine development company dedicated to unlocking the mineral potential of Greenland. The Company’s business model is built on identifying, acquiring, exploring, and developing gold and other strategic mineral assets across Greenland, by leveraging the platform it has established at its cornerstone asset, the Nalunaq Gold Mine. This asset reached a critical milestone in November 2024, with the successful pouring of first gold.

The Company’s principal revenue stream is derived from the sale of gold, with future growth expected to include other critical and strategic minerals. These include copper, nickel, and rare earth elements. Amaroq’s goal is to expand its existing gold resource at Nalunaq and establish a sustainable development pipeline of high-potential projects, at different stages of maturity across the broader West Greenland mineral hub. This development model provides optionality and long-term strategic positioning as Greenland emerges as a key jurisdiction for responsibly sourced energy transition materials.

Amaroq’s wider purpose is to create a Greenlandic legacy. The Company’s ambition is to empower Greenland to become a strategic supplier of gold and other materials needed to power a more sustainable future. Amaroq actively promotes Greenlandic values, legislation, and practices. Through its investments, it aims to deliver long-term value to Greenland by creating employment, generating tax revenues, providing training opportunities, developing infrastructure, and fostering partnerships with local communities and businesses. The Company is committed to conducting exploration and mining in an energy-efficient and environmentally responsible manner, employing advanced technologies and scientific practices, while simultaneously investing in community initiatives and renewable energy infrastructure.

Full-Cycle Mining Enterprise Strategy

In remote and climatically challenging jurisdictions such as Greenland, mining companies must address multiple layers of risk in order to operate successfully. These include limited infrastructure, seasonal access, high import reliance, and energy constraints. To address these issues in a structured and scalable way, Amaroq has adopted what it refers to as a "Full-Cycle Mining Enterprise" strategy. This model seeks to internalise and de-risk key functions across the mining value chain, from exploration through to processing, infrastructure, energy provision and environmental stewardship.

This strategy is built upon a four-pillar approach, which supports both operational execution and broader development objectives.

1. Mining

The Company's primary focus is the Nalunaq Gold Mine, a high-grade underground deposit with historical production and robust infrastructure in place. This asset offers the lowest risk and shortest path to cashflow amongst the Company's portfolio. With the first gold pour achieved in late 2024, Nalunaq represents the foundation of Amaroq's transition from developer to producer. The Company anticipates that future cash flows from Nalunaq will fund further exploration and development across its extensive land position.

2. Exploration

Amaroq is pursuing its exploration programme on multiple fronts, across both gold and critical minerals. Its strategy is to build an inventory of high-value projects that can be developed in parallel or sequentially. The Company is actively drilling and conducting ground campaigns at Nanoq, Vagar Ridge, Eagle's Nest, and other gold targets, as well as on copper and nickel mineralisation at Stendalen and across the South Greenland Copper Belt. Through its 51%-owned strategic mineral joint venture, Gardaq A/S, Amaroq is exploring a wide range of commodities including rare earth elements and porphyry systems, with the goal of delineating resources in underexplored areas of high geological potential.

Alongside the Company's focus on its two key pillars of Mining development and Exploration, the creation of the complementary, value accretive services & logistics and renewable energy business lines, will, the Company believes, enhance the mining and exploration opportunities as well as to drive further cashflow potential from the asset base.

3. Logistics and Servicing

Amaroq continues to develop opportunities in support of its operations in Greenland. Given the working environment and physical access to the mine and plant, the Company has been pursuing a strategy to de-risk mining activities through the procurement and operation of proprietary servicing and logistics infrastructure, such as drilling rigs, marine equipment and camp facilities. It is anticipated that other mining and infrastructure operators within the region will look to utilise this provision of Amaroq's equipment and services, generating additional revenue.

4. Renewable Energy

Power generation and energy provision are one of the largest, most expensive and polluting cost items within remote mining operations. The Company is committed to harnessing the Nordic region's renewable energy resources to support its mining activities. In order to de-risk the future life of mine at Nalunaq, whilst at the same time investing in technologies to power the future mines, the Company will be conducting a pre-Front-End Engineering Design (pre-FEED) study for the construction of at least one megawatt (MW) of hydro power within close proximity of Nalunaq. Once the FEED studies are completed, it is anticipated that construction work could commence, and power generation will occur in 2026. The Company believes there is potential for additional renewable energy capacity within the Nalunaq licence area, as well as within the Company's surrounding licence areas which could be pursued in the future.

Other areas of strategic focus being pursued in 2025

- **Geopolitics** – Greenland's resource potential and proximity to the world's largest markets for commodities has attracted a heightened level of political, as well as media interest. In terms of the geopolitical interest in Greenland; in the last quarter of 2024, the US elected a new president who publicly declared his intentions of engaging more with Greenland, amongst other things; as a strategically important resources province. The practicalities of this heightened geopolitical interest, is that the Company will actively pursue multiple opportunities, to leverage the increased interest and focus on Greenland and the companies who are active in the province.

- **Listing**– As previously communicated, in 2025 Amaroq is considering upgrading one of its junior listings onto a main market of an international stock exchange, in order to access further market liquidity and broader investor base. However, there can be no certainty in regard to timing or promotion of any such undertaking and further details will be shared with the market as appropriate.
- **Scandinavian opportunities** – Given the successful track record the Company believes it has enjoyed, developing the asset base and operations in Greenland to date; the Company is considering leveraging its 'Full Cycle Mining Enterprise' strategy by pursuing certain opportunities in wider Scandinavia and the Nordics. Given the operating environment, shareholder base and heritage of the Company, there are many synergies which could potentially be unlocked through establishing a second jurisdictional area to Greenland. Unlocking the resource potential within gold and other strategic metals in this region, using the Amaroq operating model could potentially be a value accretive for our stakeholders.

III. Key Developments and Performance in 2024

The year ended 31 December 2024 marked a pivotal point in Amaroq's transition from a development-stage company to an operational producer. Key operational and strategic milestones were delivered during the period, most notably the successful first gold pour at the Nalunaq Gold Mine and the completion of core elements of the processing plant. Alongside this, the Company executed two oversubscribed fundraisings and continued its multi-commodity exploration programmes across both gold and strategic mineral assets.

3.1. Nalunaq Mine: Development and Commissioning

The Nalunaq Gold Mine remains the cornerstone asset of Amaroq's full-cycle mining strategy. Throughout 2024, the Company advanced trial mining activities and construction of the 300 tonne-per-day (tpd) processing plant, culminating in the first gold doré pour on 27 November 2024.

- The mining contractor, Thyssen Schachtbau GmbH, completed 887 metres of underground development across four levels in the Mountain Block during the trial phase, with development ore first blasted on 30 June 2024.
- The ramp was advanced from the 724 to the 754 level. Major equipment deliveries in H2 2024 included diamond drills, long-hole drills, scoops, and electric twin-boom jumbos, significantly enhancing onsite capability.
- Phase 1 plant construction progressed through the year. By Q4 2024, the Company had completed and commissioned the gravity circuit, ball mill, feed conveyor, reclaimer, E-house, gold room shaking table, concentrator, furnace, oven, and thickener.
- A new camp wing was completed, increasing Nalunaq accommodation capacity to 120 personnel.

Commissioning activities continued into Q1 2025, with progressive equipment integration and operational training underway. While standard winter-related commissioning challenges were experienced in Q4 2024 (including temporary ice buildup and delays due to major storms), remedial actions were implemented to stabilise operations and finalise cladding and weather protection works.

3.2. Gold Exploration Projects

In 2024, Amaroq conducted a broad exploration campaign across its gold portfolio, advancing both resource development at Nalunaq and generative exploration at multiple greenfield targets. Activity was concentrated across the Nalunaq exploitation licence and four additional gold-targeted licences within the Nanortalik Gold Belt.

Key outcomes of the 2024 gold exploration campaign include:

Nalunaq Licence (2003-05)

- **Surface and underground drilling:** 13 drillholes totalling 3,112.7 metres, including 127.5 metres of initial underground drilling in Mountain Block.

- **Resampling programme:** 593 historical core samples were reassessed, primarily targeting the 75 Vein structure to assess hanging wall potential and lateral continuity.
- **Surface sampling:** 221 samples collected along the Main and 75 Vein outcrops in the Target Block Extension Zone using mountaineering specialists to access steep terrain.

This work supported the significant expansion of the Nalunaq Mineral Resource Estimate (MRE4), which increased contained gold by 51%, with maiden Indicated Resources of 157.8 koz at 32.4 g/t Au.

Nanoq Licence (2019-113)

- The Company completed its maiden drilling programme at Nanoq, comprising two holes for a total of 133.1 metres.
- Drilling confirmed high-grade gold mineralisation with results including 123 g/t Au over 0.5 metres and broader intercepts such as 3.2 metres at 19.51 g/t Au.
- These results, together with prior channel samples of up to 175 g/t Au over 0.8m, underpin the planning of a multi-rig follow-up campaign in 2025 and potential bulk sampling in 2026–27.

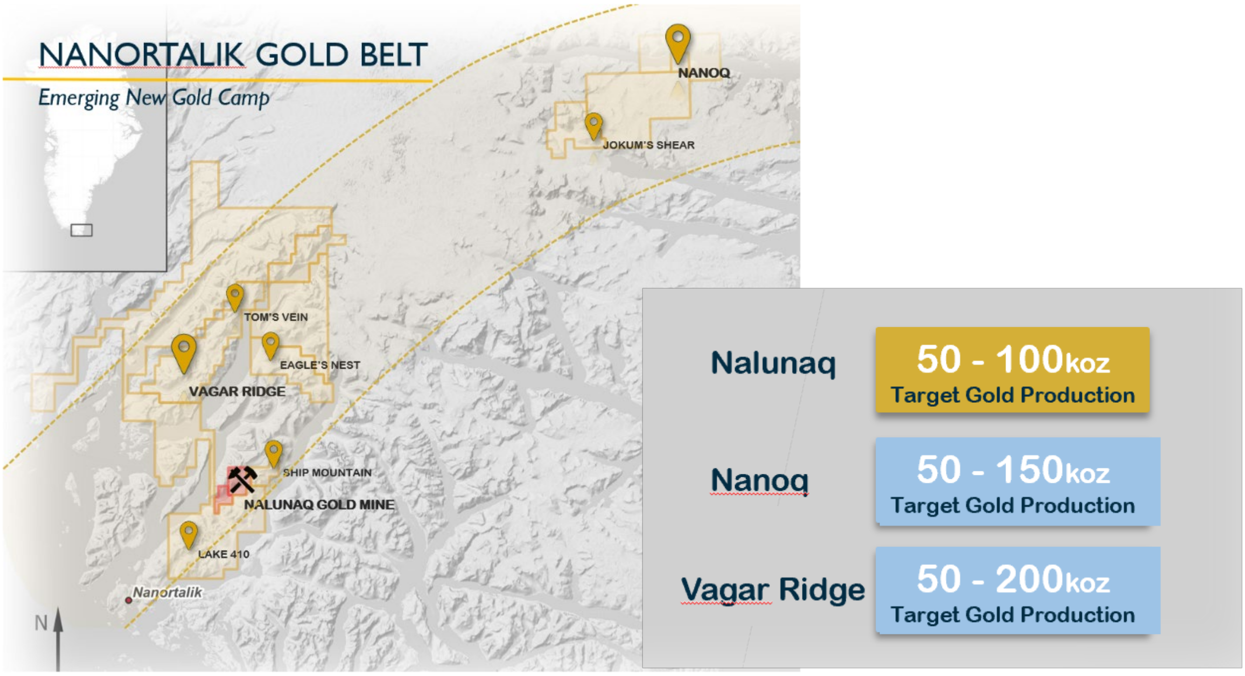
Eagle’s Nest Licence (2020-36)

- A surface reconnaissance programme targeted a newly discovered outcropping vein above historic high-grade float anomalies.
- A total of 119 samples were collected, returning results of up to 54.5 g/t Au, confirming the gold tenor and warranting further exploration in 2025.

Saarloq (2020-31), North Sava (2020-41), and Johan Dahl Land (2025-17)

- These licence areas were subject to geological reconnaissance, resulting in the collection of a combined 334 surface samples.

- These efforts focused on extending the Company's understanding of gold occurrences and identifying new target zones, particularly across the southern belt.



3.3. Strategic Minerals Exploration – Gardaq A/S (51% ownership)

Through its 51% equity interest in Gardaq A/S, Amaroq continues to develop a high-potential portfolio of strategic and critical mineral licences across southern Greenland. These activities support Greenland's broader ambition to become a secure supplier of copper, nickel, and rare earth elements for the global energy transition.

Stendalen Licence (2021-11) – Copper-Nickel Sulphide System

- Gardaq completed 4,733.7 metres of core drilling targeting geophysical anomalies within the Stendalen layered intrusion.
- Downhole electromagnetic (EM) surveys were conducted on newly drilled holes and the 2023 scout hole to better characterise blind magmatic sulphide zones.
- Follow-up geological mapping and geochemical sampling were also undertaken to refine the mineralisation model.
- Early indications suggest multiple chargeable sulphide zones remain to be tested in 2025.

Kobberminebugt Licence (2022-01) – Josva Copper Skarn

- At the historic Josva copper mine, Gardaq completed 250.9 metres of scout drilling across two holes targeting high-grade skarn mineralisation.
- The programme confirmed the presence of copper mineralisation and provided critical structural information for future follow-up.

North Sava Licence (2021-02) – Epithermal Cu-Au

- A scout drilling programme was conducted at the Target North epithermal system, comprising 501 metres in two holes.
- Surface sampling and mapping across the broader copper belt accompanied the drilling to establish the vertical zoning and alteration controls.

Johan Dahl Land (2025-17) and Nunarsuit (2023-70)

- Ground-based reconnaissance and geochemical sampling were conducted to assess REE and Cu-Au prospectivity across the Johan Dahl Land area.
- A total of 319 surface samples were collected, with further geophysical work and potential scout drilling under evaluation for 2025.

Together, the 2024 campaign confirmed the geological complexity and multi-system potential of the South Greenland Copper Belt, including porphyry, skarn, and epithermal styles of mineralisation. These findings support a long-term strategy to develop scalable, multi-commodity deposits in partnership with the Government of Greenland and private investors.

3.4. Environmental and Permitting Milestones

Amaroq reached a significant regulatory milestone in 2024 with the formal approval of the Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) for the Nalunaq Project by the Government of Greenland.

Environmental Impact Assessment (EIA)

The EIA, approved on 28 June 2024, considered the full lifecycle of the Nalunaq operation, including construction, operational, closure and post-closure phases. The assessment addressed the mine’s potential impacts on air and water quality, biodiversity, landscape, and local ecosystems. In response to the EIA findings, Amaroq has integrated a number of mitigation and monitoring measures directly into its project design and implementation schedule. These measures are aligned with Greenlandic regulatory requirements and international environmental standards.

Social Impact Assessment (SIA)

The SIA was conducted in parallel with the EIA and assessed the Nalunaq Project's influence on the local and regional socio-economic environment. Positive social outcomes identified in the SIA include:

- Direct and indirect employment opportunities for Greenlandic workers
- Skills training and upskilling for mine operations and services
- Creation of procurement and subcontracting opportunities for Greenlandic businesses
- Enhanced public revenue generation through royalties, income taxes, and corporate taxes

Both assessments were subject to extensive community engagement and a public consultation process overseen by the Greenlandic authorities. The Company received broad stakeholder support during the consultation period.

Impact Benefit Agreement (IBA)

Building on the successful conclusion of the EIA and SIA processes, Amaroq is progressing towards finalisation of a binding Impact Benefit Agreement (IBA). The IBA is expected to be concluded by 30 June 2025 and will define the formal social obligations of the Company in relation to employment, procurement, community contributions, and local infrastructure support.

Amaroq's approach to environmental and social governance reflects its commitment to creating a long-term Greenlandic legacy. The 2024 permitting milestones provide a strong foundation for the responsible development and future expansion of the Nalunaq Project and other Greenlandic assets.

3.5. Financing and Corporate Developments

Amaroq strengthened its financial and corporate platform in 2024 through the successful completion of two equity financings, the refinancing of its debt structure, and strategic changes to its executive leadership. These initiatives have significantly enhanced the Company's balance sheet, simplified its capital structure, and positioned it to deliver on its full-cycle mining strategy.

Equity Fundraising – £73 million Raised

In 2024, the Company completed two oversubscribed equity financings, raising aggregate gross proceeds of approximately C$127.3 million (GBP 73 million):

- **February 2024**: Raised £45.5 million through a placing and subscription of 62.7 million common shares at 74 pence per share.

- **December 2024**: Raised £27.5 million through the issuance of 32.0 million shares at 86 pence per share.

These fundraisings were supported by a combination of existing and new institutional shareholders across Canada, the UK, and Iceland, and reflect growing confidence in Amaroq's strategic and operational progress.

US$35 Million Revolving Credit Facility

On 30 December 2024, Amaroq entered into a new senior secured credit facility with Landsbankinn hf., replacing the Company's previous cost overrun and revolving debt lines. The new facility totals US$35 million, and simplifies the Company's capital structure and provides flexibility to support working capital, construction completion, and general corporate purposes. Financial covenants include EBITDA thresholds and equity ratio maintenance, and the facility is secured against a package of subsidiary share pledges, asset mortgages, and a license transfer agreement.

Convertible Notes Conversion – US$22.4M

To further simplify its balance sheet and eliminate interest obligations, Amaroq converted the entirety of its US$22.4 million convertible notes into equity on 4 October 2024, following TSXV approval:

- Issued 33.6 million shares in respect of principal
- Issued 1.3 million shares for accrued interest
- Issued 3.3 million shares in respect of commitment fees

This transaction materially reduces the Company's fixed liabilities, improves liquidity ratios, and enhances the attractiveness of Amaroq's capital structure to institutional investors.

Executive Appointments and Changes

Amaroq continued to build out its senior leadership team in 2024, adding depth in finance, capital markets, and stakeholder engagement:

- Jaco Crouse stepped down as Chief Financial Officer and Director on 3 June 2024
- Ellert Arnarson was appointed CFO on 6 August 2024
- On 18 March 2025, the Company appointed Edward Westropp as Head of Business Development and Corporate Affairs.

These appointments further strengthen Amaroq's execution capacity as it enters the production phase at Nalunaq and begins broader strategic engagement across Greenland and international markets.

IV. Market and Business Environment

Amaroq's operations are progressing within a global environment of increasing interest in secure supplies of both gold and critical minerals. In parallel, Greenland and the wider Nordic region are attracting greater attention as jurisdictions with geological potential, regulatory stability, and strategic alignment with Europe and North America.

During 2024, the gold market remained strong. Prices were supported by ongoing macroeconomic uncertainty, central bank demand, and investors seeking value preservation. As Amaroq advances towards commercial production at Nalunaq, it is doing so at a time when few new gold discoveries are being brought forward and supply from traditional jurisdictions is slowing. Amaroq's development approach, which is based on high-grade mineralisation and controlled capital deployment, offers a profile that aligns with broader sector expectations for cost-efficiency and margin focus.

At the same time, demand for copper, nickel, and rare earth elements continues to grow. These materials are essential for renewable energy infrastructure, battery manufacturing, and electrification technologies. As a result, several governments have launched industrial strategies to secure long-term supply of these commodities from reliable partners. Greenland, although not an EU member state, is considered a strategically important supplier and participates in initiatives such as the European Raw Materials Alliance (ERMA). The country is closely linked to the EU through Denmark and maintains favourable relationships with Nordic and Western policy institutions.

Recent estimates from the European Commission indicate that Greenland and the Nordic region together may host around 20% of global rare earth element reserves. Exploration activity in these regions has grown rapidly, with budgets rising more than 350% since 2020. Greenland offers an efficient exploration environment due to widespread exposure of bedrock, minimal vegetation cover, and relatively open access in southern areas. Amaroq's exploration programmes, including those operated through Gardaq A/S, are focused on targets that include porphyry copper, magmatic sulphide, and REE-hosted systems. The Company has established working models at Stendalen and other locations within the Gardar Igneous Province.

Greenland's permitting framework supports orderly mineral development. Regulatory procedures, including Environmental and Social Impact Assessments (EIA/SIA) and Impact Benefit Agreements (IBA), are based on predictable timelines and public consultation. In 2024, Amaroq received full approval of both the EIA and SIA for Nalunaq. The IBA process is ongoing and expected to be concluded in 2025. These developments confirm that responsible project development is achievable under Greenlandic regulation.

Amaroq is also assessing opportunities in other parts of the Nordic region. These jurisdictions offer comparable geological characteristics and permitting expectations, and are increasingly open to projects that demonstrate environmental and social responsibility. With its presence in Iceland and Canada, and a shareholder base that spans the Nordics, UK, and North America, the Company is in a position to evaluate and pursue additional value-accretive opportunities where these align with its full-cycle mining model.

Overall, the external environment in which Amaroq operates continues to support the Company's long-term strategic direction. The combination of gold production, exploration upside, and growing exposure to strategic minerals reflects a balanced and scalable business model suited to changing market conditions.

V. Key Performance Indicators

Amaroq's business performance in 2024 reflects the transformation of the Company from a development-focused explorer to an emerging gold producer with a growing multi-commodity asset base. This was achieved through trial mining, construction and commissioning at Nalunaq, expanded drilling activity, and continued investment in infrastructure and systems to support long-term operations.

During the year, Amaroq completed the first phase of construction and began commissioning of its 300 tonne-per-day processing plant at the Nalunaq Gold Mine. The Company achieved its first gold pour on 27 November 2024. Trial mining progressed steadily throughout the year with underground development works totalling 887 metres across four levels in the Mountain Block. This included the blasting of first development ore in June 2024 and the introduction of new mining equipment to increase productivity and underground capability.

As part of its broader exploration programme, Amaroq drilled a total of 8,552 metres across gold and critical mineral targets in 2024. This included:

- 3,112.7 metres of core drilling at Nalunaq, including 127.5 metres of underground drilling
- 133.1 metres in the maiden drill programme at Nanoq
- 4,733.7 metres of drilling at the Stendalen Cu/Ni target
- Additional scout drilling of 501 metres (Target North) and 250.9 metres

(Josva)

Sampling programmes at Nalunaq and other satellite licences supported a significant resource update: the Nalunaq Mineral Resource Estimate (MRE4), issued post-period in March 2025, showed a 51% increase in total contained gold and introduced a maiden Indicated Resource category (151 kt @ 32.4 g/t Au).

The following table outlines selected financial and non-financial key performance indicators used by the Company to assess its progress against strategic objectives, operational delivery, and licence obligations.

Category	Indicator	2024 Result	Commentary
Financial	Cash balance at year-end	C$45.2 million	Supported by two equity raises totalling ~C$127.3m
	Working capital (pre-loan/liability)	C$47.5 million	Strong liquidity position entering production phase
	Net loss	(C$23.5 million)	Reflects G&A expansion and capitalisation of mine costs
	Capital assets (incl. Nalunaq development)	C$160.8 million	Increase reflects plant construction and infrastructure spend
	Equity capital raised	C$127.3 million	Gross proceeds from February and December 2024 financings
	Capitalised project spend	C$111.4 million	Includes plant, camp, energy and mine infrastructure
	Revenue	Nil (pre-commercial)	First gold poured in November 2024; ramp-up ongoing
	Exploration and evaluation expenses	C$2.9 million	Primarily non-capitalised gold and strategic mineral exploration
Non-Financial	Gold production milestone achieved	First gold pour 27 Nov 2024	Major transition point from developer to producer
	Processing plant commissioning	Phase 1 complete, Phase 2 commenced	Targeting throughput expansion to 450tpd in 2025
	Underground development metres	887 metres	Completed across four levels in Mountain Block

	completed		
	Camp capacity	120 people	New wing constructed to support operations
	Exploration drilling metres (all licences)	8,552 metres	Across gold (Nalunaq, Nanoq) and strategic minerals (Stendalen, Sava, Josva)
	Resource growth (Nalunaq)	+51% to 484 koz @ 30 g/t Au	Includes maiden Indicated Resource (151 koz @ 32.4 g/t Au)
	Environmental approvals	EIA and SIA approved (28 June 2024)	Regulatory milestone achieved
	IBA progress	In progress, targeted by 30 June 2025	Active stakeholder engagement with communities and authorities
	Strategic licences drilled	3 (Stendalen, Josva, Target North)	Part of expanded Gardaq A/S programme
	Executive capacity strengthened	CFO and Head of BD appointed	Ellert Arnarson (CFO), Edward Westropp (BD & Corp Affairs)

VI. 2025 Activity Plan

Nalunaq development plans 2025

The Company is planning to proceed with the construction and installation of Nalunaq Phase 2 in Q4 2025. This will provide additional time for the commissioning and ramp-up of Phase 1, as well as to complete engineering studies aimed at upgrading the processing throughput capacity from the current nameplate of 300 t/d to 450 t/d.

The ramp-up will also require a parallel increase in underground mine activity and the Company intends to commence development into the Valley Block areas of the mine thus providing for a second mine access and production front from Nalunaq.

2025 Exploration Overview

The Company is committed to ongoing exploration in 2025 to further enhance and expand our already significant resource base ultimately delivering long-term value to our shareholders.

Gold Projects

Following the successful completion of the exploration programmes in 2024, and having incorporated these and results from 2022 and 2023 into an updated Mineral Resource Estimate, the Company is conducting an assessment of the underground drilling options available in 2025, to provide further confidence in the resource growth potential within the Mountain Block. Further underground drilling at the Target Block extension is also being reviewed. The Company is considering further field assessments, sampling and drilling across the Eagle's Nest target and others in the vicinity of Nalunaq in 2025.

The 2024 Nanoq drilling campaign yielded encouraging high-grade results, following which Amaroq is preparing for a comprehensive multi-rig 2025 drilling programme to further evaluate Nanoq's potential and work towards delineating a Mineral Resource. The Company is also exploring the feasibility of bulk sampling and processing at the Nalunaq facility in 2026/27, which could offer additional insight into Nanoq's high-grade potential and economic viability.

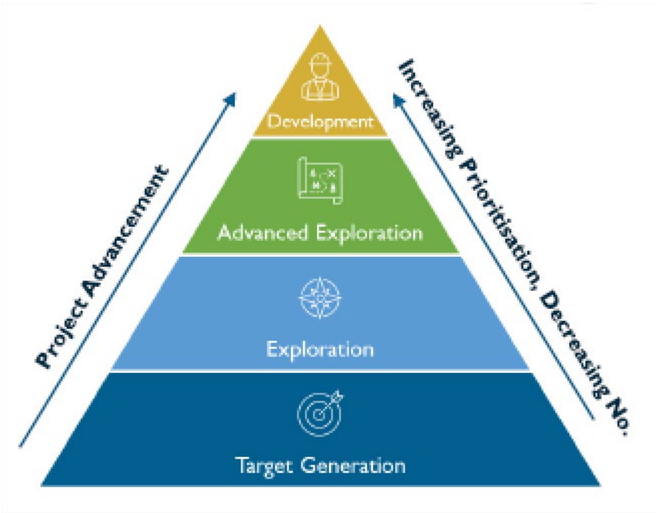
Strategic Minerals Projects (51% ownership through Gardaq Joint Venture)

As further geophysical, geological and assay results are received for Stendalen, the nickel/copper sulphide play, the Company will develop a refined 2025 exploration programme, which may include a targeted core drilling programme into blind sulphide conductors, which were defined by the 2024 drilling results.

In addition, the Company intends to continue its work across the South Greenland Copper Belt, with a number of porphyry and epithermal copper subject matter experts, in order to develop a systematic exploration programme of the belt, prioritising the most prospective areas in order to define a resource base. Further ground studies of the Ukaleq target are also planned, which may also include initial scout core drilling.
Amaroq also plans to expand its Rare Earth and Critical Metals exploration efforts across the Gardar Igneous Province and other identified potential licence areas.

Amaroq's exploration strategy remains focused on further improving geological interpretations and expanding the resource base. With each phase of drilling, the Company strengthens its ability to develop a robust and predictive model that aligns with the unique characteristics of the Nalunaq orebody.

Amaroq Mineral's development process



Amaroq has initiated a staged programme of Mineral Resource development at Nalunaq and on into cashflow generation. As of the date of this Prospectus, the Company is on Stage 4 in development of Nalunaq.

The Company believes its mining, services & logistics and future renewable energy assets provide an opportunity to develop a balanced, full-cycle portfolio capable of delivering long-term shareholder returns either through operational delivery or through ultimate sale of the Company to an established player.

In order to reach its aims, Amaroq intends to conduct the following programmes over the next 12-24 months:

Nalunaq Project Development

1. **Resource Drilling** – following the mine rehabilitation and commencement of the trial mining at the Mountain Block in 2024, Amaroq now holds the ability to conduct continuous resource development underground core drilling from various sites across the mine infrastructure. During 2025 the Company intends to provide increase resource confidence ahead of mining in the Mountain Block through these activities. Amaroq also are looking to deploy further underground drilling to grown resources across the Target Block Extension zone as well as up dip portions of the Valley block

2. **Mine Expansion** – Amaroq is actively pursuing a strategy to progress the access ramp in the Mountain Block allowing access to multiple mining level at one time. This strategy provides the Company with access to multiple mining faces at one time allowing for increased production as well as a more robust blending strategy.

In parallel to this Amaroq is assessing options to construct a new development into the Valley Block region of the mine providing for a further production front.

3. **Process Plant Ramp Up** – Amaroq intends to complete Phase 2 of the plant construction with the instillation of the floatation circulate allowing the Company to increase its overall gold recovery through the production of a gold concentrate. Further to this, Amaroq intends to commence the process of increasing the plants capacity from 300 to 450 tpd.
4. **Further Exploration** – In addition to this programme, surface exploration is panned to provide further growth options at Nalunaq. This increases the drilling from surface of the South Block Deeps area as well as the review of the potential across the Ship Mountain area of the exploitation licence.

Gold Projects Exploration

1. **Nanoq** –Following the successful identification of high grade gold mineralisation both at surface and in initial scout drilling at Nanoq in 2024, Amaroq intends to deploy a multi rig resource drilling campaign across the target. Which would include the deployment of a serviced camp facility with required infrastructure. Amaroq also intends to assess the potential for the western areas of Nanoq where repeated mineralised structures are proposed to crop out.
2. **Nalunaq Satellite Projects** – With a aim to providing mid to long term mine feed for Nalunaq, Amaroq intends to conduct a series of follow up exploration programmes across a number of satellite sites within the proximity of the mine. These include Vagar Ridge, Eagle's nest and Lake 410 as well as other recently discovered opportunities.

Strategic Minerals Exploration under Gardaq A/S Joint Venture

The Corporation will be conducting renewed exploration efforts on strategic mineral and base metal targets across its non-gold Joint Venture licence portfolio.

1. **South Greenland Copper Belt** – following the successful identification of the region's first porphyry copper discovery at Target West, through 2025 Amaroq plans to conduct geological assessment of a number of additional porphyry and epithermal copper/gold targets that the Company has identified. In addition to this, Amaroq will look to progress its understanding of the Ukaleq project in the Johan Dahl Land area guided by a number of subject matter experts. This may include initial scout drilling to define the overall potential.
2. **Stendalen and Cu/Ni Exploration** – Following the identification of further magmatic sulphides within the Stendalen intrusion, the Company intends to build upon this by developing further understanding of other target areas across the site through geological mapping and geochemical sampling aimed as signaturing the mineralisation. Further assessments of the discovered blind

chargeable anomalies will also be conducted.

Further to this, Amaroq intend to make initial assessments of a number of prospective sites for similar magmatic copper/nickel sulphides such as the Paatasoq gabbro, Waldorf and Lichtenau Intrusions.

3. **Rare Earth and Critical Metal Exploration** – Amaroq are planning to conduct further exploration for prospective rare earth as well as critical metals (such as niobium) across a number of its currently held, as well as recently applied licences, across the Gardar Province in South Greenland and further prospective sites across Greenland.

VII. PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

The Company has assessed the materiality of the risk factors it faces based on both the probability of occurrence and the potential magnitude of their adverse impact. The risks set out below have been grouped into categories, beginning with those considered most significant. Within each category, the Company has prioritised the risks it believes could have the greatest impact on its operations and financial condition.

Any of these risks, whether individually or in combination, could have a material adverse effect on the Company’s business, financial condition, cash flows, or results of operations. They could also negatively affect the trading price of the Company’s securities. The risk categories are not presented in order of likelihood or severity, and each should be considered with equal care. The interdependencies between risks mean that secondary effects or compound impacts are difficult to predict.

Additional risks and uncertainties not currently known to the Company, or considered immaterial at the time of reporting, could also emerge and have a significant impact. As such, the Company’s actual experience may differ materially from expectations.

I. Risks related to the Company’s operations

1.1. The Company is in a commissioning period in its Nalunaq Gold Mine alongside exploration-stage operations

The Company is entering a commissioning year for the Nalunaq mine in 2025. During this period, the primary focus will be on ramping up trial mining and trial processing operations to eventually reach nameplate production capacity. There are inherent operational risks associated with completing the commissioning of a project of this scale and bringing operations to full capacity, whether in mining, processing, or other related endeavours.

Also, the Corporation is an exploration stage mining company and is developing further resources at the Nalunaq Gold Mine. It is also conducting exploration activities to discover and develop mineral reserves on the areas of land in respect of which the Group has been granted licences by the Mineral Licence and Safety Authority of Greenland (the “MLSA”). It cannot give assurance that a commercially viable resource (a reserve) exists on any or all Properties for which the Company currently has or may obtain (through potential future joint venture agreements or acquisitions) an exploration license.

While the Nalunaq property (“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 requires the Company to perform additional exploration activities and there can be no certainty that this will be successful.

The Company’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 Company 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 Company’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 Company 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.

1.2. Project development risks

There can be no assurance that the Company will be able to effectively manage the expansion of its operations or that the Company's personnel, systems, procedures and controls will be adequate to support the Company's future operations. In particular, although certain of the Directors and Executive Officers have experience of bringing mineral assets into production, the Company 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 Company'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 licenses. Any failure of the Board of Directors of the Company to ensure the Company'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 Company's profitability will depend, in part, on the actual economic returns and the actual costs of developing the Licenses, which may differ significantly from the Company's current estimates. The development of the Licenses may be subject to unexpected problems and delays.

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

The Company 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 Company's business. As part of its internal risk assessment, the Company 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 Company values.

However, the Company 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 Company may be unable to find replacements on a timely basis.

The foregoing as well as substitution on similar terms, may have a material adverse effect on the annual work plan and subsequently the financial condition of the Company. When the world mining industry is buoyant there is increased competition for the services of suitably qualified and/or experienced sub-contractors, such as mining and drilling contractors, assay laboratories, metallurgical test work facilities and other providers of engineering, project management and mineral processing services.

As a result, Amaroq may experience difficulties in sourcing and retaining the services of suitably qualified and/or experienced sub-contractors, and it 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.

1.4. Regulatory Risks

The Company'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 Company 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 Company is reliant on the compliance of its Directors and employees with applicable laws and policies implemented by the Company and there can be no assurance that Directors or employees of the Company or third parties acting on the Company'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 Company 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.

1.5. Undemonstrated economic feasibility of the Nalunaq Property

The current Mineral Resources have not yet demonstrated economic viability. The Inferred Mineral Resource estimate does not constitute a formal preliminary economic assessment or part of prefeasibility or a feasibility study. The Company 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. Whether the Company succeeds in upgrading the Inferred Mineral Resource further, 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 Company 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 commercially viable production, which would have a material adverse effect on its results of operations and financial condition.

1.6. 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 Company’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 risk of the Nalunaq Property, as it is at aa stage of development. The Corporation is currently conducting trial mining and processing on site with a view to refine these practices and ramp up production. Future mining and processing methods may differ to those currently being used which may reflect differences to the current operating costs, capital spending, site remediation costs or asset retirement obligations.

The Vagar and Nanoq licences host several gold prospects. The exploration activities on both licenses 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, Nunarsuit, Johan Dahl Land 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.

1.7. The adverse effect on the Company due to loss of certain key

individuals and lack of insurance to compensate such loss

The Company'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 Company'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 Company.

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

1.8. The Company 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 Company'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 Company 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 Company 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 Company's achievement of its business objectives significantly and could have a material adverse effect on the Company's business.

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

The ability of the shareholders to bring actions or enforce judgements against the Company or its Directors may be limited. The ability of shareholders outside Canada to bring an action against the Company may be limited under law. The Company is incorporated under the Business Corporations Act (Ontario) (the "BCAO"). The rights of holders of Common Shares are governed by the BCAO and by the Company's Articles of Incorporation and By-Laws. A shareholder outside Canada may not be able to enforce a judgement against the Company 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

Company or the Directors and executive officers within the shareholder's country of residence or to enforce against the Company or the Directors and executive officers within the shareholder's country of residence or to bring an action against the Company. 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 Company 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 Company or the Directors or executive officers in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in Iceland or other countries.

1.10. Internal controls

The Company has established a system of internal controls for financial reporting. Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company 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 Company is listed or quoted, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required controls, or difficulties encountered in their implementation, could harm the Company'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 Company's financial statements and adversely affect the market price of the shares and the reputation of the Company.

1.11. The Company 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

Company is not currently aware or which may arise in the future, including possible regulatory and environmental complaints, licencing challenges or criminal proceedings.

If the Company 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.

1.12. Information systems security threats

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

Although to date the Company 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 Company'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 Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

II. Risks related to the industry

2.1. 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 Company may be affected by numerous factors which are beyond the control of the Company 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 Company 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.

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

The Company cannot guarantee that title to the Properties will not be challenged. Title insurance is generally not available for mineral properties and the Company'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 Company being unable to operate on the Properties as permitted or being unable to enforce its rights with respect to the Properties.

2.3. 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 Company's assets. The Company'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 Company's operations, financial condition and results of operations.

2.4. 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 involves uncertainties and as a result the Company 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.

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

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

If the Company 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.

2.6. Commodity price volatility may adversely affect the Company

If the Company 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 Company'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 Company'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 is a product of industrial supply and demand, underlying global economic conditions, macroeconomic factors, global inventory levels and investor sentiment.

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

The Company has adequately insured the assets at the Nalunaq Property. For the whole duration of the construction period of Nalunaq Project Amaroq has obtained builders 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 or 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 Company 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 Company 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 Company. Insofar as certain Directors and officers of the Company hold similar positions with other mineral resource companies, conflicts may arise between the obligations of these Directors and officers to the Company and to such other mineral resource companies.

Certain Directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in companies, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or investments where the other interests of these Directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

2.8. The Company 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 Company and its ability to obtain further licences, damage community relations and reduce the perceived appeal of the Company 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 Company 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.

2.9. 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 Company'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 Company. 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.

2.10. Increased competition may affect the Company 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 Company. The Company 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 Company, 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 Company's ability to acquire suitable additional properties in the future. The Company'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 Company will continue to be able to compete successfully with its rivals.

2.11. The Company may be adversely affected by general macroeconomic conditions

The Company'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 and the ongoing conflict in the Middle East have created significant uncertainty and market volatility and could have adverse effects on European and global economies. Sanctions, trade-wars, trade restrictions, and wider geopolitical tensions have further contributed to this environment. Recent political developments in North America have introduced uncertainty around US-Canada trade relations, including potential tariff or regulatory shifts, which could impact cross-border operations. The global markets are experiencing high volatility due to these geopolitical tensions, economic uncertainties, and fluctuating investor sentiment. This can lead to unpredictable stock price movements and impact the Company's market valuation.

Besides, a widespread outbreak of an infectious illness, 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 Company's business, financial condition, results of operations and growth prospects.

2.12. 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.

III. Risks related to the Company’s financial situation

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

3.1. The Company’s liquidity is uncertain and it could encounter difficulty

in meeting obligations associated with financial liabilities

Liquidity risk is the risk that the Company 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 Company may be exposed to financing and liquidity risks if it fails to adequately manage its financial structure. Amaroq is currently incurring considerable capital expenditures and operating expenditures in its projects, mainly related to the Nalunaq mine, while still in commissioning phase of its processing plant at Nalunaq. Commissioning activities and revenue generation may take longer than expected which would introduce material liquidity risk to the Corporation.

While the Corporation has secured external financing in the past, there can be no assurance it will be able to do so in the future or that equity and/or debt capital will be available on terms which are acceptable to the Corporation. The inability to secure financing may impact the liquidity of the Company, which may in turn have a material negative impact on its ability to meet debt obligations or conduct operations. Even if the Company can raise sufficient liquidity, it may be on unfavourable terms and thus have a material negative effect on the profitability of the Company. Lack of available and favourable financing may also impact the Company's ability to capitalise on investment opportunities. Amaroq remains committed to maintaining strong relationships with its shareholders, investors and the broader financial markets, in order to facilitate access to capital on favourable terms.

Subsequent development of the Nalunaq Property, including production and processing, and future exploration and development of the Company's other licences, will depend on the Company's ability to obtain financing through joint ventures, offerings of equity securities or offerings of debt securities, or by obtaining financing through a bank or other entity. The Company has not established a limit as to the amount of debt it may incur nor has it adopted a ratio of its equity to debt allowance. If the Company needs to obtain additional financing, there is no assurance that financing will be available from any source, on terms acceptable to the Company, or that any future offering of securities will be successful. Volatile markets for precious metals may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms or at all. The Company could suffer adverse consequences if it is unable to obtain additional capital, which would cast substantial doubt on its ability to continue its operations and growth.

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

The Company 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 Company'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.

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

The Company'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 Company's management to use estimates and assumptions. Accounting for estimates requires the Company's management to use its judgement to determine the amount to be recorded on its financial statements in connection with these estimates. Estimates and assumptions involve a substantial risk which could result in material adjustments to the carrying amounts of assets and liabilities during the next financial year. If the estimates and assumptions are inaccurate, the Company could be required to write down its recorded values. On an ongoing basis, the Company re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

3.4. The Company is exposed to fluctuations in exchange rates

A portion of the Company's undertakings will be in Greenland although the majority of the Company's expenditure will relate to goods or staff sourced from other countries including, but not limited to, Canada, Denmark, Iceland and the UK. The Company estimates that expenses, capital expenditure and commitments will be primarily denominated in Danish Krone, Icelandic Krone, Euros, Canadian dollars, U.S. dollars and UK Pound Sterling. This results in the expenditure and cash flows of the Company being exposed to fluctuations and volatilities in exchange rates, as determined in international markets. Furthermore, as the Company will report its financial results in Canadian dollars, the Company 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 Company's control.

3.5. Changes in accounting policies or accounting standards could affect the Company

The Company may be impacted by changes in accounting policies or accounting standards and the interpretation of such policies and standards. In some cases, the Company may be required to apply a new or revised standard, or alter the application of an existing standard, subsequently, calling for a necessary restatement of prior period financial statements. There is uncertainty surrounding the Company's judgement, estimates and assumptions, therefore the Company 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 Company.

3.6. Fair value risk

According to the International Financial Reporting Standards ("IFRS") and International Accounting Standards as issued by the International Accounting Standards Board and Interpretations the Company 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, 2024, the Corporation' financial instruments are cash, escrow account for environmental monitoring, trade and other payable, loan 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.

3.7. 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. Company identifies this as a risk because the Company´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 depositor bank fulfilling its obligations. The risk is, however, not significant 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 the unlikely event of default by the Bank of Greenland, the Company´s obligations to the Government of Greenland can still be met through funds held in Canadian or Icelandic banks.

IV. Risks related to operating in Greenland

4.1. The Company may lose its interest in licences

The main operations are in Greenland. See further Section 3.4.4 "Greenland overview". 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 Company 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 (with first gold pour in November 2024, this requirement is derisked) as well as negotiate, conclude and perform an Impact Benefit Agreement by 30 June 2025. 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 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.

4.2. The Company's operations depend on permits and government regulations

The Company'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).

There is no guarantee that such permits or approvals will be granted. To the extent that such permits or approvals are required and not obtained, the Company 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 Company.

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 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.

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

The Corporation’s operations are subject to environmental and social regulations. After a long preparation period, that continued throughout the whole of 2023, the Corporation’s project Nalunaq Gold Mine entered into the official process of public consultations in Greenland with regards 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. On June 28, 2024, the Corporation announced that the Government of Greenland had approved the EAI and SIA for the Nalunaq Project.

The Commissioning Phase Environmental Monitoring Plan was agreed with the Environmental Agency for the Mineral Resources Area (EAMRA) in November 2024. It contains monitoring compliance aspects required by the Government of Greenland during commissioning, including impact risks to river water quality, dust deposition, records of chemical use, fuel and water consumption and waste recording.

A ‘development version’ of the Environmental Management System was also approved for the commissioning phase. The system is still being developed and contains sufficient management plans, inspection frameworks and processes to manage the environmental aspects in-hand during commissioning.

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 Impact Benefits Agreement (“IBA”) will determine some of the Corporation’s liabilities and requirements regarding compliance with local ESG regulation.

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 Company 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. At this time the chemicals remain underground. Approximately half has been repackaged by a specialist contractor, and are awaiting safe disposal in 2025. The other half has been deemed by the operation as inaccessible for safety reasons and remain in situ. The Government is being kept fully informed of the actions being taken by the Company

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 DKK 34 million 33,971,059 (including a 15 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 31 December 2024, the balance of the cash deposit was CAD 6,799,104. 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.

The Company's activity programmes on the Properties will be subject to approval by the MLSA and the Environmental Agency for Mineral Resource Activities established by the Government of Greenland.

Development of the Properties located in Greenland will be dependent on the projects meeting environmental regulations and guidelines set by governmental agencies in Greenland and, where required, being approved by governmental authorities.

4.4. The Company is subject to political risks

The Company's underlying business interests will be located and carried out in Greenland. As a result, the Company 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 Company's operations are conducted.

The Ministry of Mineral Resources and Justice ("Ministry of Mineral Resources" or "MMR") 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 Company's business. The management of the Company will closely monitor events and take advice, if necessary, from experts to prepare for any eventualities.

4.5. The Company may be affected by emerging geopolitical and jurisdictional risks specific to Greenland

Greenland is a self-governing territory within the Kingdom of Denmark with full authority over its mineral and natural resources. While the legal framework governing mining operations is generally stable, broader geopolitical developments may introduce new and unpredictable risks to the Company's operations.

There has been increased international attention on Greenland due to its strategic location and resource potential in the Arctic. Notably, the current U.S. administration has previously expressed interest in acquiring Greenland, highlighting the island's geopolitical significance. This reflects a broader trend of heightened strategic focus on the Arctic by major global powers, including the United States, the European Union, and China.

Additionally, there is an active political debate within Greenland regarding increased autonomy or potential full independence from Denmark. Any future change in Greenland's constitutional or international status could result in a new legal, regulatory, or fiscal regime affecting existing licences and the overall framework under which the Company operates. There can be no assurance that such developments would not have a material adverse effect on the Company's activities, its rights under current licences, or future project economics. The materialisation of this risk may adversely affect the Company´s future earnings and competitive position and its business, prospects, financial conditions and results of operations.

4.6. 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.

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

Adverse weather conditions may affect the Company'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 particular, severe weather events or seasonal access limitations could lead to material deviations from initial operational plans, budgets, and forecasts, including delays in development milestones or increased costs. In addition, the materialisation of this risk may adversely affect the Company's future earnings and competitive position and its business, prospects, financial condition and results of operations.

Approved on behalf of the Board

Eldur Olafsson
Chief Executive Officer
May 14, 2025

DIRECTORS' REPORT

The Directors present their report with the financial statements of the Corporation for the period from 1 January 2024 to 31 December 2024.

Incorporation and listings

Amaroq Minerals Ltd. (before 11 July 2022 - AEX Gold Inc.) was incorporated and registered under the Canada Business Corporations Act on February 22, 2017. On June 24, 2024, the Company announced the completion of its continuance from the Canada Business Corporations Act to the Province of Ontario under the Business Corporations Act (Ontario). The continuance was approved by shareholders at the Annual and Special Meeting on June 14, 2024.

The Corporation's shares have been listed (under the "AMRQ" ticker) on the TSX-V Exchange since July 2017, on the AIM market of the London Stock Exchange ("AIM") since July 2020, on the Nasdaq First North Growth Market Iceland from November 1, 2022 to September 21, 2023 and on the Nasdaq Iceland's Main market ("Nasdaq") since September 21, 2023.

Directors

The Directors who have held office during the year and to the date of this report are listed below.

- **Graham Duncan Stewart** – *Chairman and Non-Executive Director (64)*

Graham Stewart has worked in the international oil & gas industry for over 30 years. Throughout his career, Graham has created a reputation for generating significant shareholder value for the companies he acts for. He founded Faroe Petroleum, which he became the CEO of in 2002 and listed on AIM in 2003. He proceeded to grow Faroe into a highly successful independent full-cycle exploration and production company with portfolios in the UK and Norway. The company was sold in January 2019 for USD 800 million to DNO. Graham has engineering and business degrees from Heriot Watt and Edinburgh University and is currently also chairman of Longboat Energy plc.

- **Eldur Olafsson** – *Founder, Director and Chief Executive Officer (39)*

Eldur Olafsson founded Amaroq Minerals Ltd. (AEX Gold Inc.) in 2017, having previously worked for several years on integrated mining projects in Greenland. He has had an extensive career in the geothermal and mining industries, during which he built the largest geothermal district heating company in the world alongside Sinopac Group. Eldur has a successful track record of leading companies from exploration to production, as shown by his time at Orka Energy, where Eldur was responsible for securing the acquisition, and subsequent development, of the company's geothermal energy in both China and the Philippines. Prior to this, he worked with Geysir Green Energy, a geothermal investment company, where he led their business development. He later became the Technical Director of energy company Enex, a 100% owned subsidiary of Geysir, where he grew the Company from its inception to a position where it was operating in three Chinese provinces. Eldur holds a BSc Geology degree from the University of Iceland.

- **Sigurbjorn ('Siggi') Thorkelsson** – *Non-Executive Director (58)*

Siggi Thorkelsson has over 25 years' experience in the banking and securities industry across New York, London, Tokyo, Hong Kong and his native Iceland. Mr. Thorkelsson has previously served as Managing Director at Nomura International (Hong Kong) Limited and as Head of Asia-Pacific Equities before becoming Senior Managing Director of the Nomura Group. In 2010, Mr. Thorkelsson moved to Barclays Capital (Hong Kong) as Managing Director and Head of Asia-Pacific Equities before becoming Managing Director (Head of Equities EMEA) at Barclays Capital in London in 2011. More recently, Mr. Thorkelsson has co-founded investment and securities companies in Iceland and in the UK.

- **Line Frederiksen** - *Non-executive Director (45)*

Line Frederiksen has substantial experience in Greenlandic infrastructure and is currently an independent consultant, working with companies within the CFO services field. Until September 2022, she was CFO at Tusass (formerly Tele Greenland A/S), the leading provider of telecom solutions in Greenland, as well as being responsible for cybersecurity governance. Prior to being promoted to CFO, Ms. Frederiksen was the Head of Finance at Tele Greenland A/S and has previously had roles at Air Greenland. On February 9, 2024, Ms. Frederiksen was appointed as Chair of the Board of Directors of Nuna Green A/S, a government-owned company focused on enhancing hydro power infrastructure in Greenland and promoting green energy initiatives. In May 2025, Ms. Frederiksen was appointed Chief Operating Officer at Air Greenland.

- **David Neuhauser** - *Non-executive Director (54)*

David Neuhauser has extensive capital markets and M&A experience and is the founder and managing director of event-driven hedge fund Livermore Partners in Chicago. He has invested in and advised global public companies for the past 21 years and has a strong track record of enhancing intrinsic value. Mr. Neuhauser currently sits on the board of Shareholders Gold Council, a Canadian corporation promoting best practices in the gold mining industry, AIM-quoted Jadestone Energy Plc, and Kolibri Global Energy Inc.

- **Liane Kelly** – *Senior Independent Director (60)*

Liane Kelly is a CSR professional with extensive experience in environment, social and governance (ESG) oversight. Her expertise focuses on sustainability strategies, social risk management, and methodologies for effective community investment outcomes. Her professional career includes working as an exploration geophysicist in the global mining sector. Liane Kelly currently sits on the Board of B2Gold Corp. (a Canadian gold-mining company) and is the Chair of their Sustainability Committee.

- **Warwick Morley-Jepson** - *Non-executive Director (66)*

Warwick Morley-Jepson is a mining professional with a track record of increasing responsibility over a 41-year career in the hard rock, capital intensive resource industry. He has held executive and management positions within deep level and open pit gold, platinum and base metal mining operations and undertaken several mine development projects at a senior level. He served as Executive Vice President and Chief Operating Officer of Ivanhoe Mines (2019 to 2020) and Kinross Gold Corporation (2014 to 2016), and as Senior Vice President, Operations, and Regional Vice President – Russia (2009 to 2014). Warwick served as Chief Executive Officer of SUN Gold and Managing Director of Barrick Africa, Barrick Platinum South Africa and three Russian-based companies in the Barrick group. Warwick graduated in the faculty of Mechanical Engineering (HND) at the Technicon Witwatersrand and completed programs at the Graduate School of Business at Cape Town University, Witwatersrand School of Business at the University of the Witwatersrand and Harvard Business School.

- **Jaco Crouse** – *Chief Financial Officer (47) – director to 3 June 2024*

Jaco Crouse is a seasoned mining executive with 20 years' experience in financial management, mine financial planning, business optimization and strategy development. He occupied the position of CFO of Detour Gold Corp., where he facilitated the successful financial and operational turnaround and sale of the corporation to Kirkland Lake Gold for US$3.7 billion. From August 2021 - July 2023 Mr. Crouse was a founder and Chief Financial Officer of Metals Acquisition Corp – a special purpose acquisition company listed on NYSE that acquired the CSA mine from Glencore for US$1.1 billion. Prior to that, he served as Chief Financial Officer & Vice President-Finance of Triple Flag Mining Finance Ltd., ("Triple Flag") a Toronto-based metal streaming business. From 2015- 2016 Mr. Crouse was Vice President Business Planning & Optimization at Barrick Gold Corp. where he was instrumental in resetting the cost structure and improving the capital allocation discipline to deliver free cash flow improvements from underperforming assets during a period of low gold prices. Mr. Crouse is a Chartered Professional Accountant (Ontario), a Chartered Accountant (South Africa), and a certified Financial Risk Manager (FRM) with a BComs (Honours) in Accounting Sciences from the University of South Africa.

Changes in the composition of the Board of Directors in 2024

On 11 March 2024 Jaco Crouse informed the Board of his intention to step down as Chief Financial Officer and as a Director of the Company with effect from 3 June 2024.

Sander A.J.R. Grieve, a partner at Bennett Jones LLP, was nominated to satisfy the director residency requirement applicable as of the date of the General and Special meeting of Shareholders 14 June 2024. In accordance with a prior agreement, Mr. Grieve stepped down from the Board upon completion of the Company's continuance from the Canada Business Corporations Act to the Business Corporation Act (Ontario) on 19 June 2024.

Principal activities

Amaroq is engaged in the acquisition, exploration, development and operation of mineral resource projects in Greenland, with a focus on gold and strategic minerals.

In 2024, the Company commenced initial production at its cornerstone asset, the Nalunaq Gold Mine, marking a significant transition from developer to producer. Nalunaq is a high-grade underground gold deposit with further development potential, supported by a newly constructed on-site processing plant and infrastructure.

In addition to advancing Nalunaq towards steady-state operations, the Company is actively exploring a broader gold portfolio across the Nanortalik Gold Belt, including the Vagar Ridge, Nanoq and Eagle's Nest targets. Strategic minerals exploration is conducted primarily through the Gardaq A/S joint venture (Amaroq 51%), with key targets including copper, nickel and rare earth element prospects at Stendalen, the South Greenland Copper Belt, Nunarsuit and Johan Dahl Land.

To support its operations, the Company is advancing the establishment of mining services and logistics capabilities, while progressing renewable energy initiatives to enhance operational resilience and long-term sustainability. This includes initiating hydroelectric studies in the vicinity of Nalunaq.

Amaroq's long-term strategy is to develop a full-cycle mining enterprise capable of generating sustainable returns while contributing to the development of Greenland's economy and communities.

Results and Dividend

The Corporation has not paid any dividends since its incorporation.

Whilst the Directors propose that earnings are re-invested into the development of the Corporation's asset base in the short to medium term, the Board will consider commencing the payment of dividends as and when the development and profitability of the Corporation allows, and the Board considers it commercially prudent to do so. The declaration and payment of dividends and the quantum of such dividends will, in any event, be dependent upon the Corporation's financial condition, cash requirements and future prospects, the level of profits available for distribution and other factors regarded by the Board as relevant at the time.

Future developments

The Directors continue to identify opportunities which meet the Corporation's strategy, which is set out on pages 6 to 9.

Share capital

Details of shares issued by the Corporation during the period are set out in Note 9 to the financial statements.

Directors' interests in shares[2]

Director interests in the shares of the Corporation, including those of connected parties and those indirectly held at 30 April 2025:

	Ordinary shares
David Neuhauser[1]	14,738,462
Sigurbjorn Thorkelsson[2]	12,037,640
Eldur Olafsson[3]	12,027,551
Graham Stewart	2,251,579

(1) This holding is held by Livermore Partners LLC and its subsidiary Livermore Strategic Opportunities LP, in both of which David Neuhauser, Non-Executive Director of Amaroq Minerals, is Managing Director.

(2) This holding is held through Fossar Holdings Ltd, Klettar fjárfestingar ehf. and Klettar LP.

(3) Eldur Olafsson´s holding is held both in his name, and also through Vatnar hf.

Directors' Compensation

Details of the compensation of each Director are provided in the Compensation Committee Report on pages 90 to 107.

Substantial shareholdings[3]

At 30 April 2025, the Company's substantial shareholders were as follows:

Shareholder	Shareholding (%)
JLE Property Ltd	6.63
Lífeyrissjóður starfsmanna ríkisins, div. A.	4.43
Gildi-lífeyrissjóður	4.36
Livermore Partners LLC (1)	3.67
First Pecos, LLC	3.65
Sigurbjorn Thorkelsson (2)	3.00

(1) This holding is held through Livermore Partners LLC, a company in which David Neuhauser is Managing Director

(2) Sigurbjorn Thorkelsson's holding is held through t Fossar Holdings Ltd, Klettar fjárfestingar ehf.

[2] the latest practicable date prior to approval of this Annual Report

[3] the latest practicable date prior to approval of this Annual Report

and Klettar LP.

Related party transactions

Below is a summary of the Company's related party transaction entered into during 2024.
All related party transactions have been concluded at arm's length principles.

In the normal course of operations:
On 27 September, 2024 the Company has entered into a new lease agreement with the company Klettar Investments ehf. for the rental of its existing office premises in Reykjavik, Iceland. Klettar Investments ehf. is a related party of Amaroq as it is a company controlled by Sigurbjorn Thorkelsson, Non-Executive Director. The lease is for the fixed term effective on September 1, 2024, and terminating on August 31, 2025. The Company pays a monthly rent of 850.000 ISK.

Outside of the normal course of operations:

Directors and officers of the Company participated in the February 13, 2024 fundraising for $ 3,375,000 and in the December 4, 2024 fundraising for $2,852,853.3. The directors and officers subscribed to the fundraisings in 20242 under the same terms and conditions as were set for all subscribers.

Stakeholder and Workforce Engagement

The Board recognises the importance of constructive engagement with employees and wider stakeholders, including government, local communities, shareholders and suppliers. Further detail on the Company's engagement practices and their alignment with Amaroq's values and strategy can be found in the Corporate Governance and Corporate Social Responsibility sections of this Annual Report.

Political donations

The Corporation did not make any political donations or incur any political expenditure during the period.

Independent Auditors

BDO Canada LLP ("BDO") was appointed as successor auditor to take over from

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l, effective February 02, 2022. BDO was reappointed as the Corporation´s auditor at the Annual and Special Meeting of Shareholders held on 16 June 2022, 15 June 2023 and 14 June 2024.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A partnership of Chartered Professional Accountants, public accountancy permit No. A129869.

The Directors have reason to believe that BDO Canada LLP ('BDO') conducted an effective audit. The Directors have provided the auditors with full access to all the books and records of the Corporation. BDO has expressed their willingness to continue to act as auditors to the Corporation and a resolution to re-appointment them will be proposed at the forthcoming Annual and Special Meeting of Shareholders.

Directors' indemnities

As permitted by the Corporation By-laws and subject to the Canada Business Corporations Act, the Directors and Officers have the benefit of an indemnity. Each Director and Officer has signed a Director and Officer Indemnification Agreement, which came into effect at the date of listing on AIM on 31 July 2020 or, their appointment, if after listing. The indemnity is currently in force. The Corporation also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors as well as Public Offering Securities Insurance put in place at the date of listing on AIM.

CORPORATE SOCIAL RESPONSIBILITY

Amaroq Values

Amaroq aims to perform as a responsible mining company and uphold high standards of governance, responsibility, social and ethical behaviour which are reflected in the Corporation's values:

- Leading through professionalism - an experienced board and management team with diverse backgrounds delivering on commitments to all stakeholders.
- Collaborative and caring - building strong, long-term relationships to allow sustainable mining practices and an empowered local community.
- Innovative and agile - finding creative solutions for the redevelopment of the past-producing Nalunaq mine and further resource growth.
- Long term perspective - the largest licence holder in Southern Greenland with a substantial land package of gold and strategic mineral assets covering a substantial area in Southern Greenland, engaged in the identification, acquisition, exploration and development of gold properties and other strategic mineral assets in Greenland.
- Execute and deliver - Nalunaq development plan and exploration programme on wider portfolio are both well underway with regular updates planned.

These values are applied throughout the business internally and also in our dealings with external suppliers and stakeholders and we regularly evaluate how successfully we are operating against these standards.

OUR APPROACH TO SUSTAINABILITY

Amaroq is committed to developing resources in a way that is protective of people and respectful of human rights and cultural heritage, creating socio-economic development and sharing economic benefits with affected stakeholders, and mitigating environmental and biodiversity impacts. Our management approach is to work within social and environmental contexts in a way that delivers positive and sustainable outcomes for our business as well as our stakeholders. Our risk management process includes identifying, evaluating and addressing the economic, social and environmental risks and opportunities for our projects and operations. Sustainability management is embedded at all levels of Amaroq, from the Board of Directors to our site employees in Greenland.

During 2024 Amaroq continued strengthening its approach to sustainability in support of its purpose to create a Greenlandic legacy by continuing to work with ERM International Group Limited (“ERM”), one of the world’s largest advisory firm focused solely on sustainability, to conduct a strategic review of its approach to sustainability management and performance.

We engage openly with our stakeholders, guided by our values of fairness, respect, transparency and accountability, in all aspects of our business, including sustainability. Amaroq is planning to publish its first annual Sustainability report in 2025 to provide updates on the safety, environmental, social and governance issues affecting communities near our operations, our employees, our investors, and other stakeholders.

In 2023 Amaroq voluntarily agreed to undertake an ESG sustainability assessment through the Icelandic rating agency Reitun, to meet expectations of Nordic shareholders and investors regarding sustainability disclosures. In February 2024 we received a ‘Good’ rating. The summary of the assessment was published at our website as a part of stakeholder engagement programme. We are currently working with Reitun to update the rating for 2025.

SOCIAL RESPONSIBILITY

Wider ESG concerns are integral to the Corporation’s strategic approach, with special emphasis on the social dimension. This includes the wellbeing of Amaroq employees, the communities where we operate, and our suppliers. Amaroq is dedicated to fostering a sustainable business model and enabling the communities we engage with to actively contribute to their development.

On a more localized scale, the Corporation pledges continuous support for the development of its local communities, maintaining ongoing dialogue with local leaders and the Greenlandic government to ensure the highest standards of care and security. Furthermore, Amaroq upholds responsible business practices across quality management, environmental stewardship, community involvement, and the wellbeing of our professionals and partners.

People and equal opportunities and discrimination

The Corporation is committed to being an equal opportunities employer. We recruit, employ, and develop employees based on qualifications, experience, and skills required for the job, adhering to best practice standards. During 2024, over 50% of our staff were Greenlandic, demonstrating our inclusive hiring practices. We welcome employment applications from all individuals, irrespective of gender, race, age, disability, marital status, sexual orientation, or religious belief, and we uphold respect for human dignity and individual rights. Our commitment extends to supporting and promoting the principles of the Universal Declaration of Human Rights.

The following policies have been adopted to reinforce these commitments:

- Human Development Policy (approved on 22 December 2023): This policy reflects our dedication to maintaining the highest standards of industry practice while respecting the unique cultural and environmental landscape of Greenland.

- Human Rights, Child and Forced Labour Policy (approved on 22 December 2023): This policy outlines our commitment to conducting business in a way that respects the dignity and rights of everyone affected by our operations in Greenland. The Corporation adheres to the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, as amended in 2022.

The Corporation is dedicated to fostering a diverse and inclusive workplace that reflects the global community in which we operate. We have implemented targeted initiatives aimed at enhancing diversity across all levels of our organization, ensuring that all employees feel valued and respected.

We are committed to the professional development of our employees through continuous learning and training opportunities, enhancing individual career growth and ensuring our workforce remains competitive.

We adhere to the principle of equal pay for equal work, ensuring that all employees are compensated fairly based on their role, experience, and performance.

Societal contribution

As our assets are in Greenland, the Corporation is focusing on positive interaction between it and local stakeholders to foster long term, sustainable relationships. Our aim is that our projects are socially sustainable and meet high international standards regarding financial planning, health, safety, the environment as well as social and cultural initiatives.

We have defined our Core Purpose as “Creating a Greenlandic Legacy” through unlocking value from its gold and strategic mineral wealth meeting the needs of a greener future:

- **Feeding the Global Energy Transition**
  Meeting the universal critical and strategic materials supply gap required for the energy transition.
  A responsible operator committed to reducing environmental footprint through sustainable management.

- **Bringing Long-term Value to Greenland**
  Investing in and empowering local communities to maximise societal development.
  Facilitating economic growth, leveraging the gold operations through employment, tax receipts and infrastructure support.

- **Building a Responsible Future**
  Promoting Greenlandic values, culture, legislation and practices.
  Leveraging a safe operating jurisdiction and growing region for mining investment.

The Company is in the process of negotiating and agreeing the Impact Benefit Agreement which outlines our commitments to social responsibility and aims to have this in place by the end of H1 2025.

Building Responsible Supply Chain

Amaroq is committed to creating a path of ethical and sustainable business practices in Greenland's mining sector. Recognising the pivotal role our suppliers play in helping us achieve our objectives is paramount. Our suppliers are not just vendors or service providers; they are our partners in advancing towards a more sustainable and responsible mining industry. As such, our commitment extends beyond the land we operate, to the communities our business impacts.

The Supplier Code of Conduct was adopted in 2023; the policy outlines our expectations and requirements for all suppliers. This Supplier Code of Conduct Policy expresses our commitment to conducting business in a manner that upholds the dignity and rights of all individuals affected by our operations. We are resolute in our endeavour to prevent any form of exploitation, guaranteeing that our operations remain devoid of unethical practices. 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.

In accordance with the requirements of new regulation in Canada, the first annual report with analysis of the risks of forced labour and child labour in supply chain was issued and published in 2023.

ENVIRONMENTAL STEWARDSHIP

Amaroq is dedicated to upholding high standards of environmental stewardship and integrating environmental protection into our strategic and decision-making processes. We understand that effective environmental management is crucial for the responsible operation of our mining activities. Our objective is to minimize the environmental impact of our projects, aligning our operations with best practice standards in environmental responsibility.

In 2023, after extensive preparatory work, our Nalunaq Gold Mine project advanced into the public consultation phase in Greenland. This process involved thorough Environmental Impact Assessments (EIA) and Social Impact Assessments (SIA), which were submitted to the Greenland MLSA in December 2023 and are now publicly accessible. These reports detail the environmental risks identified by the Corporation and outline the mitigation measures integrated into our project design and action plans. The EIA and SIA for Nalunaq were approved by the Government of Greenland in June 2024.

We established an ESG Risk Register at the end of 2023, setting the foundation for a comprehensive ESG risk management system, which has been developed and implemented in 2024. This has facilitated ongoing compliance and adaptation to local and international ESG standards.

The public consultations culminated in agreements with the Greenlandic authorities, in particular, concerning the ‘Environmental Monitoring Plan’, which includes specific risk aspects to monitor (for example, water quality and dust deposition rates) and includes quantitative targets. These agreements establish certain obligations for the Corporation, ensuring adherence to local ESG regulations.

The Environmental Monitoring Plan is now being deployed at site, and environmental data and results are being gathered and compiled as part of our agreed ‘self control’ monitoring programme.

The Greenlandic authorities have also undertaken audit monitoring, (in November 2024, to be repeated annually).

Additionally, Amaroq have also engaged with WSP (mining geoenvironmental consultants) to undertake annual independent verification sampling of water quality, and assurance review on our data and reporting standards, especially with respect to emissions data, This is to be developed through 2025.

In recognition of our environmental and social responsibilities, Amaroq adopted a series of policy documents. These, together with previously established policies, form a robust governance framework for mitigating environmental risks:

- Environmental Policy (approved by the Board on 28 August 2023): This policy reaffirms our commitment to environmental stewardship, employee health and safety, and respect for the communities where we operate. It is woven into every facet of our project lifecycle, from exploration to development and construction. Our employees receive continuous training to adhere to environmental standards and effectively implement these principles in their daily operations. Additionally, we are actively exploring further measures to reduce our environmental footprint, such as site rehabilitation, wildlife protection, and the adoption of local renewable energy sources to support the mine’s operations.

- Health and Safety Policy (approved by the Board on 28 August 2023): Committed to achieving Zero Harm, this policy aims to eliminate all workplace accidents and hazards, striving for zero injuries. This goal requires everyone in the organization to fully understand and actively engage in their safety responsibilities, promoting a culture of proactive safety and care for themselves, their colleagues, and the broader community.

These policies are readily available for review on our website, illustrating our transparent and proactive approach to corporate governance and community engagement.

CORPORATE GOVERNANCE

Chairman's Corporate Governance Statement

As Chairman of the Board of Directors of Amaroq, I remain committed to upholding robust corporate governance and to maintaining an effective Board that provides sound leadership, strategic direction, and accountability. A well-governed Board is essential for the long-term success of the Company, and I continue to ensure that it operates with the appropriate structures, skills, and systems in place to fulfil its responsibilities effectively. This includes ensuring that Directors are supported with timely access to information and that our governance frameworks evolve in line with our growing business and stakeholder expectations.

Amaroq is subject to governance requirements across multiple jurisdictions, reflecting its listing on three distinct markets:

- the TSX Venture Exchange (TSXV) in Canada,
- the AIM market of the London Stock Exchange in the United Kingdom, and
- the Nasdaq Iceland Main Market.

We recognise that our investors are located across these markets, and we are therefore committed to maintaining high standards of governance and transparency, meeting and, where appropriate, exceeding the expectations of each regulatory framework.

Canadian Requirements

As a reporting issuer in the Canadian province of Ontario and incorporated under the Canada Business Corporations Act (CBCA), Amaroq complies with Canadian corporate governance standards applicable to publicly listed companies.

In particular, Amaroq is subject to:

- **NI 58-101 – Disclosure of Corporate Governance Practices**, accessible at https://www.osc.ca/en/securities-law/instruments-rules-policies/5/58-101), which mandates public disclosure of governance practices, and
- **NP 58-201 – Corporate Governance Guidelines**, (accessible at https://www.osc.ca/en/securities-law/instruments-rules-policies/5/58-201) which provides non-binding guidance to assist issuers in developing effective governance frameworks.

Amaroq has established and follows corporate governance practices appropriate for its stage of development and status as a TSXV-listed company, including the composition of its Board and committees, disclosure practices, and internal controls.

UK Requirements – AIM and QCA Code

Since listing on the AIM market of the London Stock Exchange in July 2020, Amaroq has complied with the Quoted Companies Alliance (QCA) Corporate Governance Code (can be accessed through https://www.theqca.com/qca-corporate-governance-code-public/), which is the recognised corporate governance standard for smaller quoted companies on AIM.

The QCA Code adopts a principles-based approach and requires companies to either "comply or explain" how they have applied the 10 principles set out in the Code. The Board has adopted this framework and believes that the Company complies fully with the QCA Code.

This Annual Report follows the structure of the QCA Code to explain how Amaroq applies the principles, covering Board composition and effectiveness, stakeholder engagement, risk management, strategy, and ethical conduct. The disclosures required under the QCA Code are also available on our website: www.amaroqminerals.com/about/qca-code-disclosures/.

We view the QCA Code as an effective tool for good governance and transparency, particularly given the diverse shareholder base and cross-border nature of our operations.

Icelandic Requirements – Nasdaq Main Market

Following our admission to the Nasdaq Iceland Main Market in September 2023, Amaroq has adopted the Guidelines on Corporate Governance published by published by the Iceland Chamber of Commerce, Nasdaq Iceland and SA Confederation of Icelandic Enterprise (accessible at https://leidbeiningar.is/english/). These guidelines are based on internationally recognised standards and promote transparency, accountability, and effective oversight. They apply to all companies admitted to trading on the Nasdaq Main Market in Iceland.

The Board has resolved to comply with these guidelines in full, with the single exception of the composition of the Nomination Committee, as detailed in article

1.4 of the Icelandic Guidelines. Due to Amaroq's obligations under Canadian law, our Nomination Committee is composed of directors only, with a majority of independent directors, in line with the requirements of Canadian securities regulation.

Governance in Practice

Amaroq operates five Board committees, each with formal terms of reference and delegated authority:

- Audit and Risk Management Committee
- Corporate Governance and Nomination Committee
- Technical, Safety and Sustainability Committee
- Compensation Committee
- Disclosure Committee

These committees provide oversight and governance across key areas of our operations and report directly to the Board.

Full committee reports are included within this Annual Report, outlining the scope of each committee's activities during the year.

The disclosures required to be included in the Corporation's website in respect of the QCA Corporate Governance Code and the Guidelines on Corporate Governance published by the Iceland Chamber of Commerce, Nasdaq Iceland and SA Confederation of Icelandic Enterprise can be found at www.amaroqminerals.com/about/qca-code-disclosures/. We affirm that there were no significant changes to our corporate governance arrangements during the reporting period.
The Board continues to evaluate the effectiveness of our governance frameworks to ensure that they remain appropriate as the Company advances its development strategy.

As Chairman, I bear ultimate responsibility for the quality and integrity of Amaroq's governance. Central to this is the role of a well-functioning, balanced, and engaged Board. Our directors bring a breadth of experience and an independent mindset that supports rigorous oversight and strategic thinking. I am confident that the Board remains well-positioned to guide the Company in delivering long-term shareholder value while upholding the highest standards of corporate governance.

We are grateful for the trust of our shareholders and remain fully committed to transparency, ethical leadership, and continuous improvement in governance.

Principle 1 – Establish a strategy and business model which promote long-term value for the shareholders

The Board maintains a shared and consistently articulated view of Amaroq's purpose, business model, and strategy, as set out in the Strategic Report section on pages 6 to 48 of this Annual Report.

Amaroq is strategically focused on developing a full-cycle gold and critical mineral mining company in Greenland, leveraging its early-mover advantage and high-impact licence portfolio. With the redevelopment of the Nalunaq gold project and the parallel development of a robust pipeline of critical mineral targets, Amaroq is uniquely positioned to deliver long-term value to shareholders.

A major strategic milestone was achieved on November 27, 2024, with the successful first gold pour at Nalunaq, marking the transition from development into early-stage production. Commissioning of the processing plant continued through Q4 2024 and into Q1 2025, with the operational team systematically bringing equipment online and working to establish a stable processing cycle. With the completion of plant cladding and full enclosure expected in 2025, operational stability and throughput efficiency are expected to improve further.

To manage and mitigate strategic risks, Amaroq maintains an actively managed Risk Matrix, covering both operational and corporate domains. These risks have been comprehensively reviewed in the context of the Company's strategic priorities, ensuring that key risk areas - such as supply chain reliability, development timelines, environmental regulation, and funding flexibility - are incorporated into Board-level decision-making. A detailed discussion of the principal risks and uncertainties can be found on pages 24 to 48.

In accordance with regulatory best practice across our three listing jurisdictions (TSXV, AIM, and Nasdaq Iceland), the Board oversees the continuous alignment of the Company's governance and internal control systems with evolving stakeholder expectations.

Furthermore, Amaroq's remuneration structures have been designed to support long-term value creation. Executive remuneration is closely aligned to strategic milestones, including delivery of project development targets and securing key regulatory approvals. As set out in the Directors' Compensation Report on pages

90 to 107, Amaroq operates both a Stock Option Plan and a Restricted Share Unit (RSU) Plan, with performance-based elements tied to corporate and individual performance. These schemes are reviewed annually for alignment with shareholder interests and sector norms.

The Board believes that Amaroq's strategy, supported by a disciplined execution model and an adaptive risk framework, places the Company in a strong position to generate sustained shareholder value while contributing positively to Greenland's economic development.

Principle 2 – Seek to understand and meet shareholder needs and expectations

The Board is committed to developing and maintaining a thorough understanding of shareholder needs and expectations. The Directors recognise that shareholder engagement is not only a regulatory obligation but a vital part of building trust and ensuring that investor perspectives are factored into the Company's strategy and governance approach. The Board regularly considers the motivations behind shareholder voting decisions and uses these insights to inform its stewardship.

To support this, Amaroq draws on the combined input of its corporate brokers, in-house investor relations function, and an external public relations firm. These relationships facilitate regular and structured communication with our shareholder base. Our Nominated Adviser and Broker, Panmure Liberum Ltd, provides the Company with periodic briefings on investor sentiment and market conditions relevant to our shareholder profile across the markets.

Amaroq maintains a strong commitment to open, two-way communication with its shareholders. The Company ensures clarity and transparency through multiple channels, including:

- Regulatory announcements issued through the appropriate disclosure platforms in each jurisdiction. Along with announcements, periodic corporate presentations are published on the Company's website to communicate major developments, financing milestones, or updates on exploration and development activities;
- Annual Reports and quarterly financial results, which are published and announced on the scheduled release date, accompanied by Management Discussion & Analysis (MD&A) Interim Results. They provide detailed insight into our strategic progress and financial performance. On the same day as results are published, Amaroq holds a remote presentation for investors and analysts, the access details for which are included in the respective results

announcement;

- Annual and Special Meetings of Shareholders, which include a live Q&A component that allows direct engagement with Directors.

Recognising the benefits of accessibility across jurisdictions, cost-efficiency, and environmental responsibility, and in response to positive shareholder feedback, Amaroq has adopted an online-only format for its Annual General Meetings. This approach ensures broad participation by shareholders regardless of location, while supporting the Company's sustainability objectives and operational efficiency. The Board considers the format successful and confirms that it intends to maintain this online format for the 2025 Annual General Meeting.

To further enhance accessibility, the Company's website includes a dedicated investor contact form and email channel. Submissions are reviewed promptly and routed to the appropriate team members for timely and accurate responses. Details of all corporate advisers, including legal counsel and registrars, are listed under the AIM Rule 26 disclosure page (https://www.amaroqminerals.com/investors/aim-rule-26/).

The Board places particular emphasis on maintaining direct engagement with institutional shareholders and long-term investors. This is supported through participation in investor roadshows, attendance at natural resources and mining conferences, and the hosting of capital markets days and investor briefings, which together ensure consistent and informed dialogue with the investment community across Amaroq's key markets.

Amaroq's website, www.amaroqminerals.com, remains a comprehensive and regularly updated resource for all shareholder communications. In addition to financial reports and regulatory disclosures, it provides access to archived presentations, operational updates, and ESG materials. The website is maintained to comply with AIM Rule 26 and the relevant listing obligations under the TSXV and Nasdaq Iceland Main Market.

The Board recognises that effective and accessible communication with shareholders is an ongoing priority and will continue to evolve our investor engagement strategy in line with our development as a multi-market listed company and active mine operator.

Principle 3 – Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises that Amaroq's long-term success depends on its ability to build and maintain strong relationships with a diverse group of stakeholders. These include the Government of Greenland, local communities near our licence areas, and the Corporation's employees, contractors, and suppliers. Through meaningful engagement with these stakeholders, we align our operations with community needs, ensure regulatory integrity, and create shared value.

At the heart of Amaroq's approach is our Core Purpose: "*Creating a Greenlandic Legacy*". This principle underpins our social and environmental commitments and drives how we contribute to Greenland's sustainable future. We prioritise understanding and respecting Greenlandic culture and traditions, fostering collaboration with local communities, and encouraging skills and knowledge transfer. Amaroq's focus includes investing in youth development through training, mentoring, and employment initiatives such as the Siu Tsiu programme, and partnering with UArctic to deliver remote education and training for both apprentices and existing employees.

The Corporation supports community enrichment through targeted sponsorships that provide access to choirs, sports, and chess teams, and encourages local sourcing by working with sheep farmers and hunting associations to ensure that supplies are locally sourced wherever possible. Amaroq is also developing a programme for the reintroduction of reindeer into the Nalunaq Valley, in collaboration with local stakeholders, reflecting our broader approach to ecological restoration.

Environmental stewardship remains a priority. The Corporation has planted over 5,000 tree seedlings to date and is initiating a programme to plant 5,000 trees annually, contributing to biodiversity and climate resilience. We are also actively exploring the use of hydroelectric power and other green energy solutions to reduce the carbon footprint of our operations and, where feasible, provide surplus energy to nearby communities.

Strong relationships with the Government of Greenland are essential to our operations. Amaroq engages regularly with key government bodies, including Licensing, Inspection and Technical Services, the Geology department, and the Environment Agency for Mineral Resource Activities. We conduct all exploration and development activities in strict compliance with Greenlandic regulatory frameworks.

Amaroq fosters ongoing dialogue with community members through annual town meetings and monthly engagement with local business associations. The Corporation continues to prioritise local hiring through a Greenlandic procurement policy that ensures transparent and inclusive tendering processes.

Internally, Amaroq cultivates a supportive and inclusive workplace culture, providing all employees with opportunities for personal and professional development. Weekly team meetings enable direct communication between staff and executive leadership, fostering transparency and shared accountability. The Company upholds a comprehensive Code of Business Conduct and Ethics, supported by a formal Integrity Program for directors, officers, employees, consultants, and agents. These frameworks ensure that ethical behaviour, transparency, and accountability remain central to our governance and day-to-day operations.

Principle 4 – Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board recognises that a robust and proactive risk management framework is critical to achieving Amaroq's strategic objectives and maintaining long-term business resilience. The principal risks and uncertainties facing the business are detailed on pages 24 to 48 of this Annual Report. These include strategic, operational, environmental, financial, and jurisdictional risks relevant to our activities in Greenland and across our listing markets.

Amaroq has implemented risk management procedures throughout the organisation, tailored to its current size, stage of development, and multi-jurisdictional presence. At the core of this framework is a comprehensive Risk Matrix, which identifies and assesses material risks from both operational and corporate perspectives. Each identified risk is accompanied by defined mitigation strategies, with the aim of reducing the likelihood and/or impact of those risks. The Risk Matrix is formally reviewed on a quarterly basis by the Audit and Risk Management Committee and regularly presented to the full Board.

For capital projects such as the development of the Nalunaq Gold Project, the Corporation maintains a dedicated project-level Risk Register. This tool captures potential risks specific to the project's timeline, funding, logistics, and environmental context. Risks are assessed by likelihood and impact, and controls are evaluated for their adequacy. The register is subject to periodic review by both internal and external stakeholders and supports key project decisions in procurement, scheduling, permitting, and health and safety.

This integrated risk architecture directly supports strategic decision-making across the Corporation, including the appointment of senior management and advisors with experience in managing jurisdictional, infrastructure, and ESG-related challenges. Risk awareness is embedded across business functions and forms a standing part of project planning and operational execution.

As Amaroq transitions from development into operational mining, the Board is committed to continuously evolving the internal control environment. While the Corporation currently operates with a lean management structure appropriate to its development-stage status, internal policies and controls are reviewed regularly to ensure they remain aligned with risk exposure. The Board and management have already initiated the progressive enhancement of internal systems, including procurement and operational controls, to meet the requirements of a producing mining company.

In line with its obligations as a reporting issuer in Canada, and a listed entity on AIM and Nasdaq Iceland, the Corporation is committed to maintaining the integrity of its management information systems, internal controls, and compliance procedures. These are critical not only for risk mitigation but also for ensuring transparency and regulatory alignment across jurisdictions.

The Board believes that the Corporation's approach to risk management supports informed and agile decision-making and positions Amaroq to respond proactively to both threats and opportunities as it grows.

Principle 5 – Maintain the Board as a well-functioning, balanced team led by the Chairman

As at 31 December 2024, the Board was comprised of one executive officer (Eldur Olafsson, CEO) and six non-executive directors. This followed the departure of Jaco Crouse, who stepped down as Chief Financial Officer and as a director on 3 June 2024. He was succeeded as CFO by Ellert Arnarson, who was appointed on 6 August 2024. Mr. Arnarson is an executive officer but has not joined the Board.

Independence Assessments

In accordance with Canadian corporate governance standards:
Of the non-executive Directors, the Board considers that Liane Kelly, Line Frederiksen, Graham Stewart (notwithstanding his being the Chairman of the Corporation), Warwick Morley-Jepson, David Neuhauser and Sigurbjorn Thorkelsson are "independent".

Although Graham Stewart serves as Chairman of the Board, the Corporation continues to consider him independent for the purposes of Canadian governance standards. His role is characterised by a clear structural and functional separation from executive responsibilities, ensuring that his oversight of the CEO and management team is performed objectively and without operational involvement.

Mr. Stewart's approach to governance is defined by measured impartiality and strategic focus. He does not participate in management activities and maintains a deliberate distance from day-to-day decision-making, allowing him to hold management to account effectively. His interactions with the executive team are framed within the context of Board leadership, performance evaluation, and forward-looking strategy, not operational control. This clear distinction is reinforced by the Corporation's governance framework, which includes formal conflict of interest rules and procedural safeguards that support confidential discussions among directors, including matters relating to executive performance.

The Board regularly reviews the effectiveness of the Chairman's role through peer feedback and evaluation, and affirms that Mr. Stewart continues to provide independent and balanced leadership to the Board. His contributions are recognised for their objectivity, transparency, and alignment with both the spirit and requirements of applicable Canadian corporate governance principles, as well as the Corporation's commitment to maintaining high standards of independence and governance integrity.

From a UK corporate governance perspective:
The Board considers that Graham Stewart, Line Frederiksen, Liane Kelly, Warwick Morley-Jepson and Sigurbjorn Thorkelsson are "independent", but David Neuhauser is not (as a result of his interest in common shares being over three percent of the share capital).

Aligned with UK corporate governance standards, the Board considers that Sigurbjorn Thorkelsson remains independent as a director, despite his beneficial ownership of 3% of the Corporation's issued share capital. His conduct as a non-executive director continues to meet the expectations set out in the QCA Corporate Governance Code and AIM Rule 26.

Mr. Thorkelsson has consistently demonstrated that he is able to distinguish his responsibilities as a director from his position as a shareholder. His decision-making is based on the Corporation's strategy, governance obligations, and long-term shareholder value, rather than on his individual shareholding. He complies fully with applicable conflict of interest policies and disclosure requirements, and there is no evidence of any influence of personal interests on his role.

Board records show that Mr. Thorkelsson has supported initiatives that benefit the Corporation and its shareholders as a whole. His input is focused on sound oversight and governance, and he regularly contributes to discussions on financing, market strategy, and stakeholder management. He brings valuable insight from his experience in capital markets and financial services, which strengthens the overall effectiveness of the Board.

The Board's view is confirmed by the observations of other independent directors, who have worked closely with Mr. Thorkelsson and consider his approach to be independent, constructive, and fully aligned with the Corporation's obligations to its shareholders. On this basis, the Board is satisfied that his shareholding does not affect his independence under UK standards.

In accordance with Icelandic corporate governance standards:
(as set out in the Guidelines on Corporate Governance issued by the Iceland Chamber of Commerce, Nasdaq Iceland, and SA Confederation of Icelandic Enterprise):

The Board considers that all non-executive directors were independent in accordance with the Icelandic Guidelines as at 31 December 2024.

The Directors' interests in shares can be found on page 54.

The Board believes that it has an appropriate balance between executive and non-executive directors.

Director Name	Independent in the UK	Independent in Canada	Independent In Iceland	Date of Appointment to the Corporation	Length of Service
Graham Stewart	Yes	Yes	Yes	14th April 2017	8 years
Eldur Olafsson	No	No	No	14th April 2017	8 years
Sigurbjorn Thorkelsson	Yes	Yes	Yes	27th July 2020	4.5 years
Line Frederiksen	Yes	Yes	Yes	9th June 2021	4 years
David Neuhauser	No	Yes	Yes	9th June 2021	4 years
Liane Kelly	Yes	Yes	Yes	26th August 2021	3.5 years
Warwick Morley-Jepson	Yes	Yes	Yes	26th August 2021	3.5 years

All non-executive directors are expected to commit a minimum of 12 days per year to their duties. In practice, all directors exceed this level of engagement through active Board participation, committee service, strategic planning, and interaction with management and shareholders.

Board meetings during 2024 were conducted in a transparent and collaborative manner, with all directors contributing to open discussion and decision-making. Senior management and external advisors are regularly invited to attend Board and committee sessions to ensure the Board receives comprehensive insight into the Corporation's operations and risk profile.

The following is a table of Board and Committee meetings held during the year to December 31, 2024 and Directors' attendance[1]:

	Board Meetings	Audit and Risk Management Committee	Compensation Committee	Corporate Governance and Nomination Committee	Technical, Safety and Sustainability Committee
Total meetings held during the year	25	4	5	2	5
Member Attendance:					
Executive Directors					
Eldur Olafsson	25 / 25				
Jaco Crouse[2]	10 / 25				
Non-Executive Directors					
Graham Stewart	25 / 25		5 / 5	2 / 2	
Sigurbjorn Thorkelsson	24 / 25	4 / 4	5 / 5		
David Neuhauser	25 / 25	4 / 4		2 / 2	
Line Frederiksen	25 / 25	4 / 4			5 / 5
Liane Kelly[3]	25 / 25			2 / 2	5 / 5
Warwick Morley-Jepson	25 / 25		5 / 5		5 / 5
Sander Grieve[4]	1 / 25				

1. Does not include directors attending as invitees.
2. Chief Financial Officer and a director until 3 June 2024.
3. Liane Kelly took a short leave of absence for medical reasons which accounts for her absence from one board meeting and one TSS Committee meeting
4. Appointed to meet residency requirements; resigned upon continuance from CBCA.

Principle 6 – Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Directors possess a comprehensive range of skills and experience necessary to effectively fulfil their roles. The Corporation maintains that the current composition of the Board aptly represents a diverse array of commercial and professional skills across various geographies and industries, with each Director bringing valuable experience in public markets.

The Corporate Governance and Nomination Committee conducted its annual review of the Board's collective skills in 2024. This review confirmed that the Board features a proficient blend of expertise in areas including industry knowledge, change management, regulatory compliance, legal affairs, risk management, ESG practices, and financial oversight. The Corporate Governance and Nomination Committee continues to monitor the balance of capabilities in light of the Corporation's transition from development to production and ongoing growth of its strategic minerals portfolio.

Line Frederiksen has substantial experience in Greenlandic infrastructure and is currently an independent consultant, working with Companies within the CFO services field. Until September 2022 she was CFO at Tuass (formerly Tele Greenland A/S), the leading provider of telecom solutions in Greenland, as well as being responsible for cybersecurity governance. Prior to being promoted to CFO, Ms. Frederiksen was the Head of Finance at Tele Greenland A/S and has previously had roles at Air Greenland. She is currently Chief Operating Officer at Air Greenland.

David Neuhauser has extensive capital markets and M&A experience and is the founder and managing director of event-driven hedge fund Livermore Partners in Chicago. He has invested in and advised global public companies for the past 22 years and has a strong track record of enhancing intrinsic value. Mr. Neuhauser currently sits on the board of Shareholders Gold Council, a Canadian corporation promoting best practices in the gold mining industry, AIM-quoted Jadestone Energy Plc, and Kolibri Global Energy Inc

Liane Kelly, appointed Senior Independent Director in April 2022, brings a wealth of ESG experience to the Board having enjoyed a successful career focused on advising natural resource companies on sustainability and CSR initiatives. Her expertise focuses on community engagement and social impact, both of which will be vital for Amaroq as the Corporation continues to build on its strong engagement with its Greenlandic stakeholders. Liane´s role as the Senior Independent Director includes working closely with and providing support to the Chair, acting as an intermediary for other directors as and when necessary, being available to shareholders and other non-executives to address any concerns or issues.

Warwick Morley-Jepson has significant experience in mining having spent over 41 years in the industry, holding various managerial and executive positions. His experience in mine development and operations at global mining firms is highly relevant to Amaroq as the Corporation continues to progress both the Nalunaq mine and its various exploration targets.

The Board is able to seek external professional advice where necessary in order to fulfil its duties effectively. The Corporation believes that the current Board composition is appropriate for its size, complexity, and stage of development, and that it supports effective governance and strategic leadership.

The Board keeps its composition and balance of skills under regular review. It also reviews annually the appropriateness and opportunity for the continuing professional development of its directors, whether formal or informal, to ensure that all members of the Board remain current and effective in their responsibilities.

The biographies of the Board can be found on pages 49 to 52 of this Annual Report, and details of the experienced management team are available on the Corporation's website under the "Team" section: https://www.amaroqminerals.com/about/the-team/#management.

Principle 7 – Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Corporate Governance and Nomination Committee oversees an annual evaluation of the performance of the Board, its Committees, the Chair, and individual Directors, with special emphasis on CEO performance. This process ensures that governance arrangements remain effective and aligned with the Corporation's development, while also supporting continuous improvement and accountability.

For the 2024 review, the Committee retained the established format, combining an anonymous electronic survey administered by an external provider with individual interviews conducted by the Senior Independent Director and Chair of the Corporate Governance and Nomination Committee, Liane Kelly. All Directors participated fully in the process.

The evaluation assessed Board organisation, strategic oversight, risk and internal controls, management interaction, committee performance, shareholder communications, and governance practices. Responses were supplemented with qualitative input from Directors and are reported to the full Board.

Key strengths identified included:

- The Board is viewed as well-structured, professional, and high-performing, with Directors fully engaged and well-prepared. The overall Net Promoter Score (NPS) of 43 reflected a strong level of satisfaction.
- Board meetings are well-organised and make effective use of time, with structured agendas, productive interaction, and access to timely information.
- The diversity of the Board was consistently recognised as a strength, offering a range of perspectives that supports robust decision-making.
- Relationships between the Board and management, particularly the CEO, were viewed as constructive and transparent.
- Financial oversight is effective, with Directors satisfied that key risks and financial developments are appropriately reviewed at Board level.

Constructive feedback and improvement areas included:

- Several Directors suggested reviewing the overall size and composition of the Board to ensure alignment with the Corporation's evolving scale and focus.
- Directors expressed a desire for stronger alignment around strategy communication, noting that while the strategy is dynamic, it should be more clearly articulated and consistently understood by all members.
- Additional strength in finance and administration specific to international mining operations was suggested as a possible enhancement to Board capabilities.
- As the Corporation matures, Directors highlighted the opportunity to develop additional key performance indicators (KPIs) beyond financial and project milestones to track operational and ESG performance.

On risk and internal controls:

- Directors noted improvements in risk reporting, but called for further expansion of the risk matrix to include ESG, operational, safety, and social risks.
- Some Board members commented that while risks are identified and monitored, mitigation remains a challenge in certain areas, including weather, logistics, and contractor performance.
- The internal audit function was discussed. While current oversight is seen as sufficient for the Corporation's stage, Directors anticipate that as Amaroq grows, deeper review of control environments and internal adherence to procedures will be required.

On committee performance:

All Board Committees were considered to be operating effectively and in accordance with their mandates. Directors expressed confidence in the committees' leadership, composition, and reporting practices, while also noting opportunities for refinement in areas such as internal control oversight, meeting scheduling, and timeliness of materials.

On CEO evaluation and governance:

- The CEO's performance was evaluated through a process led by the Senior Independent Director and the Chairman. The discussion covered both strengths and areas for further alignment with strategic objectives.
- Several Directors suggested that additional time together as a Board, and

with senior management, would further strengthen cohesion and shared understanding of operational realities.

On shareholder and regulatory matters:

- Directors acknowledged that shareholder and regulatory communication is handled effectively, but identified that improvements can always be made, particularly as the Corporation continues to engage with broader institutional stakeholders and proxy advisers across multiple markets.
- Some noted that not all directors may be fully familiar with international governance standards and recommended ongoing awareness-building in this area.
- The evaluation also reaffirmed that each Committee was operating effectively in line with its Charter and contributed valuable reporting to the Board. The Board remains committed to continuous improvement and will address the observations from this review as part of its 2025 governance priorities.

Principle 8 – Promote a corporate culture that is based on ethical values and behaviours

At Amaroq, one of our core values is leadership through professionalism. This principle guides our expectations for all employees, officers, consultants, and directors, who are encouraged to deliver high-quality work, act ethically, and represent the Corporation with integrity across all aspects of their role.

The Corporate Governance and Nomination Committee plays a central role in promoting and maintaining this ethical culture. It is responsible for ensuring that the tone at the top remains aligned with the Corporation's values and that ethical and compliance expectations are clearly communicated and upheld throughout the organisation.

To support this, Amaroq has implemented a comprehensive suite of governance policies, including the Code of Business Conduct and Ethics, which addresses topics such as bribery, conflicts of interest, political contributions, and improper payments. These policies emphasise integrity and accountability and include provisions for protected reporting mechanisms, allowing concerns to be raised without fear of retaliation. The Company's Code of Business Conduct and Ethics is publicly available on its website and applies to all directors, officers, employees, consultants, and contractors.

In addition, the Corporation's Integrity Program serves as a practical guide for directors, officers, employees, and consultants, outlining expectations for conduct and providing step-by-step guidance on how to handle suspected breaches of ethical standards or corporate policies. The Integrity Program supports and complements other key governance documents, including the Insider Trading and Share Dealing Policy and additional internal procedures.

It is a standing obligation for every individual across the Corporation to report any activity or suspected activity that may compromise the integrity of the Corporation's operations, governance, or financial reporting. Reports should be made when there is a reasonable and bona fide belief that misconduct has occurred, is occurring, or is likely to occur. This reinforces our commitment to a transparent, accountable culture that protects the interests of all stakeholders and sustains Amaroq's reputation as a responsible operator in Greenland and beyond.

Principle 9 – Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The primary responsibility of the Board is to provide effective governance and stewardship of the Company. The Board recognises that its decisions regarding strategy, capital allocation, risk management, and leadership not only shape the Company's culture but also have a direct impact on long-term performance and shareholder value.

Good governance at Amaroq requires the Board's active involvement in strategic oversight, operational and financial risk review, internal controls, and compliance with regulatory and market requirements across Canada, the United Kingdom, and Iceland. The Board is accountable for supervising senior management and must always act in the best interests of the Company, its shareholders, and other stakeholders. These responsibilities are carried out in accordance with Canadian law, the Company's articles and by-laws, and the terms of reference adopted by the Board and its Committees.

The Corporate Governance and Nomination Committee plays a central role in developing and overseeing the Company's governance framework. It ensures that Amaroq complies with applicable legal and regulatory requirements, adopts recognised best practices in governance, and operates in a manner that promotes transparency, professionalism, and accountability. This includes upholding the standards set forth in the Company's Integrity Program and Code of Business Conduct and Ethics.

The Board meets at least quarterly, with additional meetings convened as required to address operational milestones, financing matters, and regulatory obligations. In support of its responsibilities, the Board delegates certain duties to five standing committees, each operating under formal terms of reference and reporting regularly to the Board.

Each committee plays a vital role in supporting the Board's work, enabling informed, specialist oversight of the Company's development-stage operations, listing compliance, technical activities, sustainability objectives, and disclosure practices. The governance structure is reviewed regularly to ensure it remains proportionate, effective, and suited to the Company's evolving operational profile and multi-jurisdictional obligations.

Audit and Risk Management Committee: The primary function of the Audit and Risk Management Committee is to assist the Board in fulfilling its financial reporting and controls responsibilities to shareholders. The Terms of Reference for the Audit and Risk Management Committee can be found at the Corporation's website at https://www.amaroqminerals.com/about/corporate-governance/.

A report from the Audit and Risk Management Committee can be found on page 84.

Compensation Committee: The primary function of the Compensation Committee is to determine executive remuneration packages and to ensure that the remuneration policy and practices of the Corporation reward fairly and responsibly, with a clear link to corporate and individual performance.

The Terms of Reference for the Compensation Committee can be found at the Corporation's website at https://www.amaroqminerals.com/about/corporate-governance/.

A report from the Compensation Committee can be found on page 89.

Corporate Governance and Nomination Committee: The Corporate Governance and Nomination Committee is responsible for reviewing the structure, size and composition of the Board and identifying and nominating, for the approval of Board, candidates to fill vacancies on the Board as and when they arise.

The Terms of Reference for the Corporate Governance and Nomination Committee can be found at the Corporation's website at https://www.amaroqminerals.com/about/corporate-governance/.

A report from the Corporate Governance and Nomination Committee can be found on page 85.

Technical, Safety and Sustainability Committee: The role of the Technical

Safety and Environmental Committee is to assist the Corporation and the Board in fulfilling their respective obligations relating to technical, health and safety, environmental and social matters concerning the corporation.

The Terms of Reference for the Technical, Safety and Sustainability Committee can be found at the Corporation's website at https://www.amaroqminerals.com/about/corporate-governance/.

A report from the Technical, Safety and Environmental Committee can be found on page 87.

Disclosure Committee: The purpose of the Disclosure Committee is to assist the Board in fulfilling its responsibilities in respect of timely and accurate disclosure of all information and establishing and maintaining adequate procedures to comply with these obligations.

The Terms of Reference for the Disclosure Committee can be found at the Corporation's website at https://www.amaroqminerals.com/about/corporate-governance/.

A report from the Disclosure Committee can be found on page 108.

Each committee plays a vital role in supporting the Board's work, enabling informed, specialist oversight of the Company's operations, listing compliance, technical activities, sustainability objectives, and disclosure practices. The governance structure is reviewed regularly to ensure it remains proportionate, effective, and suited to the Company's evolving operational profile and multi-jurisdictional obligations.

Principle 10 – Communicate how the Corporation is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining regular and effective dialogue with shareholders and other stakeholders. Open communication supports accountability, enhances decision-making, and strengthens trust in the Company's governance and long-term strategy.

The Company ensures that its website is kept up to date in accordance with AIM Rule 26, and provides investors with access to all material governance documents, financial statements, regulatory announcements, and investor presentations. The site includes the latest quarterly and annual financial results, accompanying Management Discussion and Analysis (MD&A), and all historical press releases.

Each year, the Company holds an Annual and Special Meeting of Shareholders, during which the annual results are presented and discussed. Shareholders receive a Management Information Circular in advance of the meeting, outlining the items of business and background information to support informed voting. The outcome of each resolution is published on the Company's website, including an explanation of any follow-up action required in the event of significant dissent. To date, no such action has been necessary.

The Company actively promotes ongoing shareholder engagement through investor roadshows, meetings, earnings calls, and other events. Contact details and an investor inquiry form are available on the website, and investors are encouraged to subscribe to the mailing list for timely updates, including regulatory news and new corporate materials.

In addition to formal channels, the Company maintains a presence on LinkedIn, X (formerly Twitter), and Instagram. Nalunaq A/S, one of the Company's Greenland-based subsidiaries, operates a Facebook page to support communication with local stakeholders in Greenlandic and Danish.

In accordance with the QCA Corporate Governance Code, the Company continues to enhance the quality of its annual disclosures and governance transparency. The governance section of this Annual Report reflects this ongoing commitment and will continue to evolve in response to stakeholder expectations, regulatory guidance, and the growth of the business.

Share Dealing

On admission to trading on AIM, the Company adopted an updated Insider Trading and Share Dealing Policy applicable to Directors and designated employees. This policy ensures compliance with Rule 21 of the AIM Rules, the EU Market Abuse Regulation (MAR) as applicable in the UK, and relevant Canadian securities legislation.

The Directors believe that the policy is appropriate for a company listed on AIM and the TSX Venture Exchange, and have taken all reasonable steps to ensure that Directors and applicable employees adhere to it. The policy forms part of the Company's broader governance and compliance framework and is reviewed periodically to ensure it remains effective and aligned with best practice.

Internal control

The Board is responsible for establishing and overseeing the Corporation's system of internal control and reviewing their effectiveness. Internal control systems are designed to meet the particular needs of the Corporation and the particular risks to which it is exposed. The procedures are designed to manage rather than eliminate risk and by their nature can only provide reasonable but not absolute assurance against material misstatement or loss.

The Corporation's management maintains 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, 2024, that have materially affected, or are reasonably likely to materially affect, the ICFR. No such changes were identified through their evaluation.

The Board has reviewed the Corporation's overall risk management and control systems and believes that the controls are satisfactory given the nature and size of the Corporation.

Report of the Audit and Risk Management Committee

Audit and Risk Management Committee Members:

Line Frederiksen (Chair)
Sigurbjorn Thorkelsson
David Neuhauser

The Audit and Risk Management Committee ('the Committee') is pleased to present its 2024 report to shareholders. The period covered by this report is January 1 to December 31, 2024. There were no changes to the Committee´s membership during the year.

The Committee's principal role is to support the Board in discharging its responsibilities related to financial reporting, internal controls, and risk management on behalf of the shareholders. In accordance with its Charter, the Committee shall convene at least three times per year - aligned with key points in the financial reporting and audit cycle - or more often if necessary.

The Committee's Charter is available on the Corporation's website www.amaroqminerals.com.

Activity during the year

In 2024, the Committee held four meetings. In March, it reviewed the year-end audit results and recommended for approval the audited consolidated financial statements and MD&A for 2023. In May, the Committee considered the Q1 2024 interim financials, discussed accounting treatments, cash flow analysis, and reviewed updates on IT strategy and insurance coverage. In August, it reviewed the half-year results and approved updates to the Group's whistleblowing policy to align with new Greenlandic regulations. In November, the Committee considered the Q3 results, reviewed BDO's audit plan and fee estimate for FY 2024, and discussed key updates on the Nalunaq Project, financial risk matrix, and cash flow forecasts. Throughout the year, the Committee remained focused on financial reporting integrity, internal controls, risk oversight, and audit quality.

The external auditor, BDO Canada LLP ("BDO"), attended two Committee meetings during the year to present audit planning and findings. The Committee maintained regular communication with both management and BDO, with a continued focus on financial oversight, risk management, and regulatory compliance in support of the Board and the Corporation's shareholders.

External audit

The Committee is responsible for managing the relationship with the external auditor, which the Corporation renews annually.

The objectivity and independence of the external auditors is safeguarded by reviewing the auditors' formal declarations, monitoring relationships between key audit staff and the Corporation and reviewing the non-audit fees payable to the auditor. BDO is independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

Non-audit services are not performed by the auditor if such services would impair their independence under relevant professional standards.

During the year, amounts billed by BDO for audit fees totalled $173,573; for tax related services (tax compliance, tax advice and tax planning, including reviewing tax returns and assisting in responses to government tax authorities) totalled $44,022.

Report of the Corporate Governance and Nomination Committee

The Corporate Governance and Nomination Committee (the "Committee") is pleased to present its 2024 report to shareholders. The period covered by this report is January 1 to December 31, 2024.

Corporate Governance and Nomination Committee Members:

Liane Kelly, Chair, Senior Independent Director
Graham Stewart
David Neuhauser

The Committee's members are Liane Kelly, Senior Independent Director who chairs the Committee, and Graham Stewart and David Neuhauser who are both Non-Executive Directors. There were no changes to the Committee´s membership during the year.

The Committee shall meet at least once a year, and it met twice during 2024. In addition to its formal meetings, Chair and members of the Committee were actively engaged in governance-related matters throughout the year, including supporting management in the development and review of governance policies, contributing to the preparation of Committee and Board materials, and participating in the evaluation process for new key executive appointments.

The Committee's Charter is available on the Corporation's website www.amaroqminerals.com.

Activity during the year

Board and Committee Composition

During the year, the Committee reviewed the composition of the Board and its Committees in light of the Company's strategic evolution and governance requirements. The Committee recommended a number of appointments, including post-AGM Committee memberships, ensuring that each Committee remains appropriately structured and resourced to fulfil its responsibilities effectively.

The Committee's approach to Board and Committee composition is guided by the need to maintain an appropriate balance of skills, experience, independence and diversity, while also supporting long-term succession planning. Memberships are reviewed regularly to align with the evolving needs of the business and to ensure the Board as a whole retains the capacity to provide effective oversight and challenge.

Board and Committee Effectiveness Review

In October 2024, the Committee led the annual internal evaluation of the Board and its Committees. This review considered the effectiveness of the Board's structure, the quality of its oversight, and the performance of individual Directors. The assessment also included a discussion of the Company's framework for evaluating executive leadership, with particular attention to the performance and support of the Chief Executive Officer.

The review confirmed that the Board continues to operate effectively, with an appropriate balance of experience and constructive challenge. Directors welcomed the opportunity to provide input on meeting agendas and noted the importance of structured, timely updates from management to support Board-level oversight, particularly as the Company transitions into production.

A summary of the Board effectiveness review process and key outcomes are provided in the Corporate Governance section of this Annual Report on page 63.

Governance Developments

The Committee reviewed and recommended updates to the Charter of the Disclosure Committee and supported enhanced coordination between Board and Committee activities. Discussions during the year also considered scaling governance processes appropriately for Amaroq's size and jurisdictional obligations. This included ensuring QCA Code compliance and planning for greater formalisation of reporting and documentation in line with expectations from governance stakeholders in the UK, Canada, and Iceland.

The Committee did not appoint any external consultants in 2024 but agreed to consider such support in future years for skills benchmarking or formal governance evaluations as the Company grows.

Report of the Technical, Safety and Sustainability Committee

The Technical, Safety and Sustainability Committee (the “Committee”) is pleased to present its 2024 report to shareholders. The period covered by this report is January 1 to December 31, 2024.

Technical, Safety and Sustainability Committee Members:

Warwick Morley-Jepson, Chair
Liane Kelly
Line Frederiksen

All Committee members are considered “independent” within the meaning of NI 52-110 and in line with the QCA and Icelandic Corporate Governance guidelines. There were no changes to the Committee´s membership during the year.

In accordance with the Charter, the Committee shall meet four times a year, and It met five times during 2024.

Activity during the year

The Committee met to review and oversee the Company’s technical and operational performance, including health, safety, environmental and sustainability (ESG) matters, and associated risks relating to the development of the Nalunaq Project and broader exploration activities.

In its quarterly meetings, the Committee received detailed presentations from management covering:

- Health and Safety (H&S) performance and leading indicators, including reported incidents and emerging trends. Enhanced HSE reporting was introduced, with greater visibility on near-misses and significant incidents.
- Nalunaq Project progress, including completion and commissioning milestones, construction schedules and mine planning. Risks arising from weather delays, logistical constraints, and resource availability were identified and mitigation strategies reviewed.
- Organisational structure and workforce planning for operations, with a

continued focus on local Greenlandic hiring and gender diversity.

- Exploration programmes across the Nalunaq licence and wider Greenland portfolio.

- Project development risks and associated financial exposures. Updates to the Nalunaq cost profile and Amaroq's liquidity forecast were reviewed at each meeting, in coordination with the Audit and Risk Management Committee.

- ESG initiatives, including environmental monitoring, social metrics, and progress on biodiversity programmes. The Committee reviewed improvements in ESG data collection and internal ownership of site-based ESG initiatives.

In line with its responsibilities, the Committee pre-approved the annual review of the Corporation's Health and Safety Policy and recommended its adoption by the Board. The Committee also endorsed continued improvements to ESG reporting for alignment with stakeholder expectations.

The Committee's Charter is available on the Corporation's website www.amaroqminerals.com.

Report of the Compensation Committee. Directors' Compensation Report

The Compensation Committee (the 'Committee') is pleased to present its 2024 report to shareholders. The period covered by this report is January 1 to December 31, 2024.

Compensation Committee Members:

Sigurbjorn Thorkelsson, Chair
Graham Stewart
Warwick Morley-Jepson

All of Committee members are Non-Executive Directors.

The Committee is responsible for overseeing the development and implementation of the Company's remuneration policies and ensuring that these support the Company's strategic objectives, promote long-term shareholder value, and align with best governance practices across the markets.

The Committee's Charter is available on the Corporation's website www.amaroqminerals.com.

The Committee met four times during 2024.

Activity during the year

In 2024, the Committee considered a range of matters within its mandate. Key areas of focus included:

Implementation of Long-Term Incentive Awards
The Committee approved equity awards under the Company's Restricted Share Unit (RSU) Plan, following a performance assessment carried out by an independent consultant. Awards were made in line with the previously established allocation framework and performance measurement methodology.

Remuneration Terms for Senior Appointments
Following the appointment of a new Chief Financial Officer, the Committee considered and recommended a remuneration package reflecting the individual's responsibilities and experience. This included participation in a tailored value creation mechanism under the existing long-term incentive structure.

Short-Term Incentive Considerations
The Committee reviewed 2024 performance outcomes relative to individual and corporate objectives. Based on these assessments, bonus entitlements were approved in line with pre-agreed targets and weightings.

Performance Management Enhancements
The Committee oversaw continued improvements in the performance framework, including the rollout of structured mid-year reviews and 360-degree feedback processes. Preparatory steps were also taken to expand site-level performance evaluation in the upcoming year.

The Committee is satisfied that remuneration decisions during the year were consistent with the Company's objectives, its stage of development, and performance outcomes. The Committee will continue to review its approach to remuneration to ensure that it remains fit for purpose, aligned with stakeholder expectations, and capable of attracting and retaining talent critical to the Company's future success.

The summary of compensation for the Board members in 2024 is in the table below:

Name Principal Position	**Salary, Consulting Fee, Retainer or Commission (CA$)**	**Bonus (CA$) [1]**	**Committee or Meeting Fees (CA$)**	**Value of All Other Compensation (CA$)**	**Total Compensation (CA$)**
Eldur Ólafsson *Director, President and CEO*	785,705	641,667	-	-	1,427,372
Jaco Crouse *Director, CFO*	291,869	-	-	-	291,869
Graham Stewart *Chairman of the Board and Non-Executive Director*	-	-	181,000	-	181,000
Sigurbjorn Thorkelsson *Non-Executive Director*	-	-	86,000	-	86,000
Liane Kelly *Non-Executive Director*	-	-	94,000	-	94,000
Line Frederiksen *Non-Executive Director*	-	-	86,000	-	86,000
David Neuhauser *Non-Executive Director*	-	-	86,000	-	86,000
Warwick Morley-Jepson *Non-Executive Director*	-	-	103,000	-	103,000

Notes:

1. Bonuses were paid in December 2023 at the discretion of the Board based on the delivery of operational and financial targets during 2023 which were agreed by the Board at the beginning of the performance period.

Remuneration Policy Statement

The primary function of the Compensation Committee (the "Committee") is to determine executive compensation packages and ensure that the Company's remuneration policies and practices are structured to reward performance fairly, responsibly, and transparently. Remuneration decisions are closely aligned with both corporate performance and the delivery of the Company's long-term strategic objectives.

The Committee also considers, and may recommend, the remuneration of Non-Executive Directors. However, such decisions ultimately rest with the Chairman and the Executive Directors. No Director takes part in decisions regarding their own remuneration.

In determining the compensation of Executive Directors, the Committee aims to promote the advancement of the Company's assets and the sustainable growth of its resource base, in alignment with the goal of enhancing shareholder value. To achieve this, the Committee believes it is essential to maintain a competitive compensation framework that combines fixed and variable components, including long-term equity incentives. These components are designed to attract and retain experienced and capable executives, to encourage long-term value creation, and to align management incentives with shareholder interests—while also supporting the Company's risk appetite and values as defined by the Board.

The Committee considers that the current remuneration structure, which includes market-based share options, a Restricted Share Unit (RSU), and performance-related annual bonuses, is appropriate for the Company's stage of development. Variable pay is awarded only when pre-agreed financial, operational or strategic performance targets are achieved.

Shareholder Engagement and Voting

The Committee recognises the importance of maintaining an open dialogue with shareholders on remuneration matters. Shareholder feedback plays an important role in shaping the Company's approach to executive pay. In accordance with the requirements of Canadian securities laws and the policies of the TSX Venture Exchange, the Company submits both its Stock Option Plan and Restricted Share Unit (RSU) Plan to shareholders for formal approval on an annual basis. These binding votes reflect the Company's commitment to accountability in the oversight of performance-based, equity-linked remuneration.

While AIM-listed companies are not required to put their Remuneration Report or Policy to a shareholder vote, the Compensation Committee continues to monitor governance expectations across the UK, Canada, and Iceland. The Committee considers it good practice to maintain open channels of engagement with shareholders on executive pay and welcomes feedback through ongoing investor dialogue and participation at the Company's Annual and Special Meeting.

The Committee will keep this position under review in light of evolving practice under the QCA Corporate Governance Code (2023 edition) and shareholder expectations.

Governance and Disclosure Standards

The Committee has considered guidance set out in the 2023 QCA Remuneration Committee Guide when preparing this report, in order to promote clear and proportionate disclosure for shareholders. The Committee is committed to providing clear, concise, and meaningful disclosure to support shareholder understanding of executive pay. The Committee will continue to review and update its disclosures annually to ensure they remain appropriate, informative, and aligned with the Company's growth and governance maturity.

Policy Principles

In line with good governance and market practice, the Company's remuneration arrangements are guided by the following principles:

- Performance-Linked: Variable pay is contingent on the achievement of clear corporate, operational, and individual performance targets.

- Aligned with Shareholders: Long-term incentives are structured to align executive interests with those of shareholders through equity ownership and value creation.

- Simple and Transparent: The framework is structured to be easily understood by stakeholders and simple to operate.

- Market Competitive: Compensation levels reflect the skills, experience, and performance required to attract and retain key talent in a competitive international market.

- Risk-Aware: Arrangements are designed to promote sound risk management, discourage excessive risk-taking, and operate within the

Company's risk tolerance as defined by the Board.

- Compliant and Proportionate: The policy complies with the requirements of applicable exchanges (TSXV, AIM, Nasdaq Iceland), and reflects the Company's current scale and stage of development.

Executive Directors

The policy on Directors' compensation is that the overall compensation package should be sufficiently competitive to attract and retain individuals of a quality capable of achieving the Corporation's objectives and be in line with other companies considered by the Committee to be comparable to the Corporation. The compensation policy is designed such that individuals are remunerated on a basis that is appropriate to their position, experience, and value to the Corporation.

The main components of the compensation policy and how they are linked to and support the Corporation's business strategy are summarised on the following pages.

Objective and link to strategy	**Operation**	**Maximum opportunity**	**Performance assessment**
Base salary			
Core element of compensation, set at a level which is sufficiently competitive to recruit and retain individuals of the appropriate calibre and experience.	Salaries will be reviewed annually, with any changes being effective from January 1 each year. When determining salaries for the Executive Directors the Committee takes into consideration: - Corporate performance; - the performance of the individual Executive Director; - the individual Executive Director's experience and	When determining salary increases of the Executive Directors, the Committee takes into account the employment conditions and salary increases awarded to employees throughout the Corporation. There is no maximum salary opportunity.	Salary increases will be determined in accordance with the rationale set out under the column entitled 'Operation'.

Objective and link to strategy	Operation	Maximum opportunity	Performance assessment
	responsibilities; - pay and conditions throughout the Corporation. Salaries together with other fixed benefits including pension will be benchmarked periodically against comparable roles at companies of a similar size, complexity and in the Exploration & Development sector with the objective that total fixed compensation will be in line with other companies considered by the Committee to be comparable to the Corporation.		
Benefits			
Support individuals in carrying out their roles including in different locations as may be required.	Benefits will be reviewed periodically to reflect the Directors' individual circumstances and to ensure they remain market competitive. Benefits are similar to those of other employees and typically include life assurance cover, private health care arrangements, car allowance in lieu of a Corporation car, housing allowance, relocation and expatriate benefits and reimbursed business expenses	Benefit values vary year on year depending on their cost and the maximum potential value is the cost of the provision of these benefits.	Not applicable.

Objective and link to strategy	Operation	Maximum opportunity	Performance assessment
	(including any tax liability) incurred when travelling overseas in performance of duties.		
Annual bonus			
Incentivizes the achievement of a range of short-term performance targets that are key to the success of the Corporation.	Executive Directors participate in a discretionary annual performance related bonus scheme which can be payable in cash, shares or share options. Bonus scheme awards are made annually at the year-end (and will be pro- rated for time served). Performance period is one financial year with payment determined by the Committee following the year end. There is no provision for malus and clawback of bonus payments however if a recipient of stock options ceases to be employed for cause then the options terminate.	The maximum bonus potential is 100% of base salary and the minimum payment is nil. Executive Director Bonus opportunity, as a percentage of base salary is outlined above on page 94. There is no contractual obligation to pay bonuses.	A performance scorecard has been devised and will be used by the Committee to determine the bonus payment. The Committee reserves the right to override the formulaic outturn based on a broader assessment of overall Corporation performance. Performance targets are based on a range of corporate, operational, financial and personal and executive team performance measures. The precise allocation between measures (as well as the weightings within these measures) will be determined by the Committee at the start of each year.
Long-term incentives			

Objective and link to strategy	Operation	Maximum opportunity	Performance assessment
Incentivizes the achievement of long-term financial performance and sustainable returns to shareholders in a way that aligns the interests of Executive Directors and shareholders.	Executive Directors can participate in share based long-term incentive plans: *Amaroq Stock Option Plan* The Share Option Plan is a share-based plan and options are granted annually. The exercise price of the option is not less than the closing price of shares on the last trading day preceding the grant date. Options granted under the plan vest and become exercisable at such time or times as determined by the Committee but typically vest immediately on the date of grant and are subject to a maximum term of ten years. There is no provision for malus or clawback of the options however if a recipient of stock options ceases to be employed for Cause then the options terminate. *Amaroq Restricted Share Unit (RSU) Plan (or VCP)* The Restricted Share Unit (RSU) Plan is a share-based incentive scheme under which	The maximum potential grant is 200% of salary and the minimum potential grant is nil and the grant will depend on the Executive Directors' performance in the previous year. There is no contractual obligation to grant options. The RSU Plan is subject to a rolling limit of up to 10% of the Company's issued and	There are no specific performance conditions attached to the options however the Committee considers annual performance against the corporation's objectives in making option awards. The Committee considers that granting market priced options aligns the interests of Executive Directors and shareholders since the options only deliver value if the share price rises. There are no specific performance conditions

Objective and link to strategy	**Operation**	**Maximum opportunity**	**Performance assessment**
	RSUs are granted to eligible executive officers, key employees, and consultants. Each RSU represents a notional entitlement to receive one common share of the Company, subject to the satisfaction of vesting conditions and other terms specified in the individual RSU Award Agreement. RSUs are typically granted on an annual basis and vest at such time or times as determined by the Compensation Committee, with vesting periods commonly linked to service or performance criteria. RSUs do not carry voting rights or entitlement to dividends.	outstanding share capital and is administered in accordance with the TSXV policies and applicable corporate governance guidelines.	attached to the plan. The Compensation Committee sets performance conditions at grant and assesses vesting outcomes against defined strategic and operational objectives. RSUP Participants are designated by the Compensation Committee, at the sole discretion and upon recommendation from the President and/or Chief Executive Officer. Restricted share units are granted to RSUP Participants at the discretion of the Compensation Committee.
Pension			
To provide competitive levels of retirement benefit.	The Corporation does not operate a pension scheme but does, at the Directors' preference, contribute to the personal pension plans of each Executive Director or pays cash in lieu of such contributions. Additionally, the	Executive Directors receive a contribution to a personal pension scheme or cash allowance in lieu of pension benefits up to 14% of salary.	Not applicable.

Objective and link to strategy	Operation	Maximum opportunity	Performance assessment
	Corporation may make statutory contributions to mandatory pension arrangements in the country in which they are based in line with local requirements. These arrangements are similar to those of other employees.		
Shareholding requirement			
To align Executive Directors' interests with those of shareholders through build-up and retention of a personal shareholding.	Executive Directors are not required to hold shares however they may have market-priced stock options under the stock option plan.	Not applicable.	Not applicable.

New appointments

The same principles as described in the policy above will be applied in setting the compensation of a new Executive Director. Additionally, the Committee may:

- allow a new Executive Director to retain any outstanding awards and/or other contractual arrangements that they held on their appointment (which may or may not have been made under plans listed in this policy) and those awards will remain subject to the terms and conditions applied to them when they were awarded;

- consider compensating a newly appointed Executive Director for other relevant contractual rights forfeited when leaving their previous employer using either a plan listed in this policy or, in exceptional circumstances, under a new arrangement if for any reason, like-for-like replacement awards on recruitment could not be made under plans listed in this policy.

Non-Executive Directors

The table below sets out the key elements of the policy for Non-Executive Directors:

Objective and link to strategy	Operation	Maximum opportunity	Performance assessment
Fees			
Core element of compensation, set at a level sufficient to attract individuals with appropriate knowledge and experience.	Fee levels reflect market conditions and are sufficient to attract individuals with appropriate knowledge and experience. NEDs are paid a base fee and additional fees for Committees to reflect the time commitment and duties involved. Fees may be paid in cash or shares or both. Fees are reviewed annually or as otherwise determined by the Compensation Committee.	Whilst there is no maximum individual fee level, fees are set at a level which is considered appropriate to attract and retain the calibre of individual required by the Corporation. The Corporation avoids paying more than necessary for this purpose. Fee increases may be made in line with market movements and to take into account the time commitment and duties involved.	Whilst there is no performance element to the compensation paid to the Non-Executive Directors, fees will be determined in accordance with the rationale set out under the column headed ‘Operation’.
Benefits			
Support individuals in carrying out their roles including in different locations as may be required.	Non-Executive Directors do not receive benefits or a pension allowance. Travel and business expenses for Non-Executive Directors are incurred in the normal course of business, for example, in relation to attendance at Board and Committee meetings. The costs associated with these are all met by the Corporation including any tax liabilities arising on these business expenses.	Not applicable	Not applicable

Objective and link to strategy	Operation	Maximum opportunity	Performance assessment
Shares and share awards			
To align Non-Executive Directors' interests with those of shareholders through build-up and retention of a personal shareholding.	Non-Executive Directors will not participate in any variable compensation elements or any other such arrangements. Historically the Non-Executive Directors have participated in the Share Option Plan and they will be entitled to retain these options but since Admission, they will not be granted further options. Non-executive Directors are encouraged to hold shares in the Corporation while they are a Director.	Not applicable	Not applicable

New appointments

The same principles as described in the policy above will be applied in setting the compensation of a new Non-Executive Director. Compensation will comprise fees only, to be paid at the prevailing rates of the Corporation's existing Non-Executive

Directors.

Compensation policy and workforce fairness

The Company is committed to ensuring that its approach to employee compensation remains consistent, transparent and supportive of its broader strategic objectives. The Compensation Committee oversees arrangements that aim to align the interests of all employees with those of shareholders, while recognising the varied responsibilities and working environments across the Company's operations.

The compensation arrangements for employees are designed to ensure alignment with the overall principles applied to Executive management and the strategic priorities of the business. In particular:

- Salary review processes follow a consistent approach across the Corporation, taking into account individual responsibilities, experience, performance, external market benchmarks and the Company's financial position.

- Annual incentive plans are shared across the organisation, with all employees participating in the same bonus scheme as Executive management. Opportunities within the scheme vary by role and seniority, but are calibrated to support performance and encourage contribution to shared outcomes.

- Pension and benefits arrangements reflect the geographic diversity of the workforce and may vary according to local market practice and regulatory requirements.

In recognition of evolving operational demands and the need to remain competitive in the market, the Compensation Committee made Restricted Share Unit (RSU) awards to all employees, including those based in Greenland. These equity awards are a core component of the Company's long-term incentive framework, fostering alignment with shareholder interests and promoting a culture of ownership and accountability throughout the workforce.

The Committee believes that the Company's remuneration framework supports its objectives of attracting and retaining skilled personnel, encouraging long-term value creation, and promoting an inclusive and performance-oriented culture.

The Committee will annually review the pay arrangements of the wider workforce as part of its consideration of the Executive management compensation.

Annual report on compensation

Executive Directors

The salary, taxable benefits, pension, and annual bonus received by the Executive Directors, for the period which they were Directors during the year, are detailed in the compensation table below.

Compensation table

Executive Director	Salary, Consulting Fee, Retainer or Commission	Bonus	Value of All Other Compensation	Total
Eldur Olafsson	CA$785,705	CA$641,667	-	CA$1,427,372
Jaco Crouse	CA$291,869	-	-	CA$291,869

Annual bonus scheme

Bonuses were paid in December 2024 at the discretion of the Compensation Committee of the Board of directors based on the delivery of operational and financial targets during 2024. A total of $1,872,498 in bonuses was paid.

There is no deferral period associated with the 2024 bonus payments.

Directors' shareholding and share interests' table

Directors' shareholding as at April 30, 2025 can be found on page 54.

Stock options

No options were granted to Non-Executive and Executive directors during 2024.

The table below sets out details of the share options held by the Directors either in their own name or through separate entities at the end of the reporting year.

Director	Number of outstanding share options[1]	Exercise prices of outstanding share options[1]	Expiry dates of outstanding share options[1]
Eldur Olafsson	1,500,000	CAN$0.38	31/12/2025
	450,000	CAN$0.70	31/12/2026
	1,100,000	CAN$0.60	17/01/2027

Graham Stewart	100,000	CAN$0.38	31/12/2025
	400,000	CAN$0.70	31/12/2026

Notes

1. All the options have vested and are therefore exercisable.

The following table sets forth each exercise of options by an Executive Officer or Director of the Company during 2024:

Name and Position	Number of options securities exercised	Exercise price per security ($)	Date of exercise	Closing price per security on date of exercise ($)	Difference between exercise price and closing price on date of exercise ($)	Total value on exercise date ($)
Jaco Crouse *Chief Executive Officer*	485,156	$0.59	2024-05-27	$ 1.28	$0.69	$334,757.64
	478,125	$0.60	2024-05-27	$1.28	$0.68	$325,125

Restricted Share Unit Plan (RSUP)

On 23 February 2024, in alignment with the RSUP, the Company granted an award to directors and employees of the Company based on the First Measurement Date as listed below:

First Measurement Date	31 December 2023		
Award Date	23 February 2024		
Participant proportions and Number of shares subject to RSU	Eldur Olafsson, CEO	40%	3,805,377 shares
	Jaco Crouse, CFO	20%	1,902,688 shares
	Joan Plant, Executive VP	10%	951,344 shares
	James Gilbertson, VP Exploration	10%	951,344 shares
	Edward Wyvill, Corporate Development	10%	951,344 shares
Vesting	50% of the Shares vested on April 09, 2025 with the remaining 50% vesting on the third anniversary of grant.		

20% that Jaco Crouse, the former Chief Financial Officer, was eligible to receive was forfeited on leaving the Corporation in accordance with the RSUP.

On 12 February 2025, in alignment with the RSUP, the Company granted an award to directors and employees of the Company based on the Second Measurement Date as listed below:

Second Measurement Date	31 December 2024		
Participant proportions and Number of shares subject to RSU	Eldur Olafsson, CEO Joan Plant, Executive VP James Gilbertson, VP Exploration Edward Wyvill, Corporate Development	40% 10% 10% 10%	2,048,268 shares 512,067 shares 512,067 shares 512,067 shares
Vesting	50% of the Shares will vest on the first anniversary of grant, with the remaining 50% vesting on the second anniversary of grant.		

On 9 April 2025, a total of 3,329,704 RSUs vested under the Company's RSUP. Of this, 1,902,688 Common Shares were issued to Eldur Olafsson, and 475,672 common shares each to Joan Plant, Edward Wyvill, and James Gilbertson.

<u>The implementation of the Directors' compensation policy in 2024</u>

In 2024, the Compensation Committee implemented the Directors' compensation Policy with a focus on aligning incentives to performance, promoting long-term value creation, and ensuring consistency with governance and salary expectations across the Company's listing jurisdictions.

A discretionary annual bonus was awarded in December 2024, recognising the achievement of strategic and operational milestones, including project delivery, corporate development, and capital restructuring.

The Chief Financial Officer role was held by two individuals during the year. Jaco Crouse served as CFO until 3 June 2024. As set out in the RSU Plan terms, the unvested RSUs previously granted to Mr. Crouse were forfeited upon his departure. Ellert Arnarson was appointed as CFO effective 6 August 2024.

To ensure consistent and well-governed implementation of equity incentives across all levels of the organisation, the Committee engaged PricewaterhouseCoopers LLP as independent advisors. PwC provided support on the structure and application of RSU awards, including benchmarking, eligibility, and vesting frameworks. The incoming CFO's RSU participation was structured with defined service and performance-based vesting conditions, designed to align long-term reward with shareholder value creation.

The Committee is satisfied that the implementation of the Directors' compensation policy in 2024 was consistent with the Company's objectives and governance principles and reflective of individual and corporate performance outcomes.

Service contracts and termination payment policy

The service contracts of the Executive Directors are not of a fixed duration and therefore they have no unexpired terms, but continuation in office as a Director is subject to annual re-election by shareholders as required under the Corporation's By-Laws.

The Corporation's policy is for the Executive Directors to have service and employment contracts with provision for termination of no longer than twelve months' notice. The circumstances of termination of an Executive Director's contract, including the individual's performance and an individual's duty and opportunity to mitigate losses, will be taken into account in every case of termination. The Committee's policy is to stop or reduce compensatory payments to former Executive Directors to the extent that they receive compensation from other employment during the compensation period. A robust line on reducing compensation is applied and payments to departing Executive Directors may be phased in order to mitigate loss.

The Non-Executive Directors do not have service contracts. Each Non-Executive Director has a letter of appointment and provides for termination of the appointment with 30 days' notice by the Director.

The details of the current Directors' service contract and letters of appointment are set out below.

Director	Date of appointment as a Director	Date of service Contract / letter of appointment	Notice period
Eldur Olafsson	April 28, 2017	July 27, 2020	Twelve months by the Corporation without cause or by the Director for good reason following a change of control and otherwise three months by the Director
Graham Stewart	April 28, 2017	July 27, 2020	Thirty days by the Director

Sigurbjorn Thorkelsson	July 27, 2020	July 27, 2020	Thirty days by the Director
Line Frederiksen	March 18, 2021	June 9, 2021	Thirty days by the Director
David Neuhauser	June 9, 2021	June 8, 2021	Thirty days by the Director
Liane Kelly	August 26, 2021	August 10, 2021	Thirty days by the Director
Warwick Morley-Jepson	August 26, 2021	August 24, 2021	Thirty days by the Director

Report of the Disclosure Committee

The Disclosure Committee (the 'Committee') is pleased to present its 2024 report to shareholders. The period covered by this report is January 1 to December 31, 2024.

Disclosure Committee Members:

- Eldur Olafsson, Chief Executive Officer
- Jaco Crouse, Chief Financial Officer (until 03 June 2024)
- Joan Plant, Executive Vice President (from 14 June 2024 until 27 March 2025)

Edward Westropp, Head of Business Development and Corporate Affairs, was appointed to the Committee on 27 March 2025, replacing Joan Plant.

The Committee's Charter is available on the Corporation's website www.amaroqminerals.com.

In June 2024, the Board approved a revised Charter for the Disclosure Committee. The updated Charter formally defines the Committee's composition as comprising:

- One serving Board member holding the role of Chief Executive Officer; and
- One executive-level member, who is not required to be a director but must meet the Company's standards for executive leadership.

The purpose of the Disclosure Committee is to assist the Board in fulfilling its responsibilities in respect of (i) the requirement to make timely and accurate disclosure of all information that is required to be disclosed to meet legal and regulatory obligations and requirements, and (ii) the requirement to take reasonable steps to establish and maintain adequate procedures, systems and controls to enable compliance with these obligations. The Disclosure Committee meets as required but at least annually to review the operation, adequacy and effectiveness of the disclosure procedures.

Activity during the year

The Disclosure Committee is comprised of the executive management only and is involved in the Corporation's regulatory disclosure process on a day-to-day basis.

Throughout 2024, the Disclosure Committee performed its responsibilities, contributing to the Company's governance framework by supporting the accurate, timely, and compliant disclosure of material information across all jurisdictions in which the Company is listed.

The Committee reviewed disclosures in connection with operational, financial, and strategic developments, including project milestones, corporate transactions, and financing activities. It ensured that market announcements were prepared in accordance with applicable regulatory requirements under the AIM Rules for Companies, TSX Venture Exchange policies, and Nasdaq Iceland Main Market Rules.

A key area of focus was the management of inside information. The Committee was responsible for evaluating whether information met the criteria to be classified as inside information under the Market Abuse Regulation (MAR), determining the appropriate timing for disclosure, and documenting decisions to delay disclosure where permissible. In support of these obligations, the Committee oversaw the creation and maintenance of Insider Lists, ensuring accurate and compliant record-keeping as required under Article 18 of MAR.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Company's financial statements in accordance with applicable law and regulations.

Under the Business Corporations Act (Ontario), the Directors must prepare financial statements for each financial year. The AIM Rules for Companies of the London Stock Exchange require the Company to prepare financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC).

The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and its financial performance for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy the financial position of the Company. They are also responsible for ensuring that the financial statements comply with the Business Corporations Act (Ontario).

The Directors are responsible for such internal controls as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They also have general responsibility for safeguarding the assets of the Company and taking reasonable steps to prevent and detect fraud and other irregularities.

Under applicable UK legislation and regulation, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that comply with those requirements.

The Directors are responsible for the maintenance and integrity of the Company's website and the ongoing integrity of the financial statements contained therein.

The Directors confirm that they consider the Annual Report, taken as a whole, to be fair, balanced and understandable, and that it provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Amaroq Minerals Ltd.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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BDO Canada LLP
222 Bay Street, Suite 2200
Toronto, Ontario
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Independent Auditor's Report

To the Shareholders of Amaroq Minerals Ltd.

Opinion

We have audited the consolidated financial statements of Amaroq Minerals Ltd. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board and Interpretations (collectively IFRS Accounting Standards).

Basis for Opinion

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

Key Audit Matters

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

Assessment of Impairment Indicators on Capital Assets

Description of the key audit matter

As described in notes 4 and 10 of the Group's consolidated financial statements, the Group has capital assets with a net book value of $161 million as at December 31, 2024, which primarily represents construction in progress related to the Nalunaq mine that is under development. Management applies significant judgement at each financial reporting date in assessing whether changes to certain factors would be considered an indicator of impairment. No impairment indicators were identified by management as at December 31, 2024.

The matter was considered a key audit matter because capital assets are a significant portion of the Group's total assets and a high degree of judgment and subjectivity is applied in the identification of indicators of impairment given the stage of development of the Nalunaq mine. Significant factors impacting this assessment included projected operating and capital costs, gold prices and estimated mineral resources.

How the key audit matter was addressed in the audit

We performed the following audit procedures, amongst others:

- Developed an understanding of management's process for identifying and evaluating the impairment indicators of capital assets;
- Evaluated the completeness of impairment indicators considered by management in their assessment; and
- Assessed management's analysis of changes in project operating and capital costs, gold prices, and estimated mineral resources by comparing them to historical projections, third party data, current industry, market or economic trends and evidence obtained in other areas of the audit.

Other Information

Management is responsible for the other information. The other information comprises:

- The information, other than the consolidated financial statements and our auditor's report thereon, included in the Annual Report, and
- The information included in the Management's Discussion and Analysis.

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

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

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

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Michael Hawtin.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 28, 2025

Amaroq Minerals Ltd.
Consolidated Statements of Financial Position
As at December 31, 2024 and 2023
(In Canadian Dollars)

	Notes	As at December 31, 2024	As at December 31, 2023
		$	$
ASSETS			
Current assets			
Cash		45,193,670	21,014,633
Sales tax receivable		163,611	69,756
Prepaid expenses and others	**5**	10,223,447	18,968,443
Interest receivable		114,064	-
Inventory	**6**	10,182,744	680,358
Total current assets		65,877,536	40,733,190
Non-current assets			
Deposit		181,871	27,944
Escrow account for closure obligations	**7**	6,799,104	598,939
Financial Asset - Related Party	**8,23**	6,699,179	3,521,938
Investment in equity accounted joint arrangement	**8**	14,902,313	23,492,811
Mineral properties	**9**	48,683	48,821
Right of use asset	**13.1**	621,826	574,856
Capital assets	**10**	160,846,474	38,241,559
Total non-current assets		190,099,450	66,506,868
TOTAL ASSETS		**255,976,986**	**107,240,058**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	**11**	18,233,113	6,560,854
Convertible notes	**12**	-	35,743,127
Loans payable	**12**	28,621,732	-
Lease liabilities – current portion	**13**	118,908	80,206
Total current liabilities		46,973,753	42,384,187
Non-current liabilities			
Lease liabilities	**13**	591,805	577,234
Asset retirement obligation	**14**	7,253,852	-
Total non-current liabilities		7,845,657	577,234
Total liabilities		**54,819,410**	**42,961,421**
Equity			
Capital stock	**15**	291,169,401	132,117,971
Contributed surplus		8,009,215	6,725,568
Accumulated other comprehensive loss		(36,772)	(36,772)
Deficit		(97,984,268)	(74,528,130)
Total equity		201,157,576	64,278,637
TOTAL LIABILITIES AND EQUITY		**255,976,986**	**107,240,058**
Subsequent events	**26**		

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

Approved on Behalf of the Board of Directors

(s) Eldur Ólafsson
Eldur Ólafsson
Director

(s) Line Frederiksen
Line Frederiksen
Director

Amaroq Minerals Ltd.
Consolidated Statements of Comprehensive Loss
For the years ended December 31, 2024 and 2023
(In Canadian Dollars)

	Notes	2024	2023
		$	$
Expenses			
Exploration and evaluation expenses	**19**	(2,882,092)	(6,616,652)
Site development costs		-	(2,515,743)
General and administrative	**20**	(17,521,730)	(13,631,912)
Loss on disposal of capital assets	**10**	(149,916)	(37,791)
Foreign exchange gain (loss)		907,890	306,705
Operating loss		(19,645,848)	(22,495,393)
Other income (expenses)			
Interest income		1,188,104	1,069,559
Gardaq Project management fees		2,453,361	1,714,559
Gain on loss of control of subsidiary	**8**	-	31,340,880
Share of net loss of joint arrangement	**8**	(8,590,498)	(7,892,387)
Unrealized gain (loss) on derivative liability	**12**	1,722,682	(4,536,411)
Finance costs	**21**	(583,939)	(34,320)
Net loss and comprehensive loss		**(23,456,138)**	**(833,513)**
Weighted average number of common shares outstanding – basic and diluted		329,948,183	272,623,548
Basic and diluted loss per common share	**24**	(0.071)	(0.003)

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

Amaroq Minerals Ltd.
Consolidated Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(In Canadian Dollars)

	Notes	Number of common shares outstanding	Capital Stock	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total Equity
			$	$	$	$	$
Balance at January 1, 2023		**263,073,022**	**131,708,387**	**5,250,865**	**(36,772)**	**(73,694,617)**	**63,227,863**
Net loss and comprehensive loss		-	-	-	-	(833,513)	(833,513)
Options exercised, net		597,029	409,584	(433,600)	-	-	(24,016)
Stock-based compensation	**16**	-	-	1,908,303	-	-	1,908,303
Balance at December 31, 2023		**263,670,051**	**132,117,971**	**6,725,568**	**(36,772)**	**(74,528,130)**	**64,278,637**
Balance at January 1, 2024		**263,670,051**	**132,117,971**	**6,725,568**	**(36,772)**	**(74,528,130)**	**64,278,637**
Net loss and comprehensive loss		-	-	-	-	(23,456,138)	(23,456,138)
Shares issued under a fundraising	**15**	94,759,422	127,679,865	-	-	-	127,679,865
Convertible note equity conversion	**12**	38,229,926	37,027,253	-	-	-	37,027,253
Shares issuance costs	**15**	-	(6,402,000)	-	-	-	(6,402,000)
Options exercised, net	**16.1**	1,042,931	746,312	(763,739)	-	-	(17,427)
Stock-based compensation	**16**	-	-	2,047,386	-	-	2,047,386
Balance at December 31, 2024		**397,702,330**	**291,169,401**	**8,009,215**	**(36,772)**	**(97,984,268)**	**201,157,576**

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

Amaroq Minerals Ltd.
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(In Canadian Dollars)

	Notes	2024	2023
		$	$
Operating activities			
Net loss		(23,456,138)	(833,513)
Adjustments for:			
Depreciation	**10**	819,142	698,273
Amortisation of ROU asset	**13.1**	114,069	80,207
Stock-based compensation	**16**	2,047,386	1,908,303
Accretion of discount on asset retirement obligation	**14**	420,639	-
Gain on loss of control of subsidiary	**8**	-	(31,340,880)
Unrealized (gain) loss on derivative liability	**12**	(1,722,682)	4,536,411
Convertible note transaction cost expensed		-	641,528
Loss on disposal of capital assets		149,916	37,791
Share of net losses of joint arrangement	**8**	8,590,498	7,892,387
Other expenses		(17,441)	-
Foreign exchange		(913,613)	(346,822)
Finance costs		163,300	34,097
		(13,804,924)	(16,692,218)
Changes in non-cash working capital items:			
Sales tax receivable		(93,855)	26,133
Due from related party	**8,23**	(2,913,929)	(3,540,440)
Prepaid expenses and others		8,837,933	(18,363,632)
Inventory		(9,502,387)	(680,358)
Deposit		(153,927)	-
Accounts payable and accrued liabilities		11,605,706	5,093,572
		7,779,541	(17,464,725)
Cash flow used in operating activities		**(6,025,383)**	**(34,156,943)**
Investing activities			
Transfer to escrow account for closure obligations		(6,044,555)	(168,140)
Construction in progress and acquisition of capital assets	**10**	(111,417,121)	(24,303,517)
Prepayment for acquisition of ROU asset		(5,825)	-
Cash flow used in investing activities		**(117,467,501)**	**(24,471,657)**
Financing activities			
Proceeds from issuance of shares	**15**	127,679,865	-
Convertible note issue	**12**	-	30,431,180
Convertible note transaction costs	**12**		(1,004,030)
Proceeds from loan, net of transaction cost	**12**	24,394,364	-
Shares issuance costs	**15**	(6,402,000)	-
Lease payments	**13**	(138,356)	(105,894)
Cash flow from financing activities		**145,533,873**	**29,321,256**
Net change in cash before effects of exchange rate changes on cash		22,040,989	(29,307,344)
Effects of exchange rate changes on cash		2,138,048	184,408
Net change in cash		24,179,037	(29,122,936)
Cash, beginning		21,014,633	50,137,569
Cash, ending		**45,193,670**	**21,014,633**
Supplemental cash flow information			
Borrowing costs capitalised to capital assets	**10**	5,323,501	1,457,638
ROU assets acquired through lease	**13.1**	155,214	-
Shares issued as a result of note conversion	**12.1**	37,027,253	-

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

1. NATURE OF OPERATIONS, BASIS OF PRESENTATION

Amaroq Minerals Ltd. (the "Corporation") was incorporated on February 22, 2017, under the Canada Business Corporations Act. As of June 19, 2024, the Corporation completed its continuance from the *Canada Business Corporations Act* into the Province of Ontario under the *Business Corporations Act (Ontario).* The Corporation's head office is situated at 100 King Street West, Suite 3400, First Canadian Place, Toronto, Ontario, M5X 1A4, Canada. The Corporation operates in one industry segment, being the acquisition, exploration and development of mineral properties. It owns interests in properties located in Greenland. The Corporation's financial year ends on December 31. Since July 2017, the Corporation's shares are listed on the TSX Venture Exchange (the "TSX-V"). Since July 2020, the Corporation's shares are also listed on the AIM market of the London Stock Exchange ("AIM") and from November 1, 2022, on Nasdaq First North Growth Market Iceland which were transferred on September 21, 2023 on Nasdaq Main Market Iceland ("Nasdaq") under the AMRQ ticker.

These consolidated financial statements ("Financial Statements") were reviewed and authorized for issue by the Board of Directors on March 28, 2025.

2. ADOPTION OF NEW AND REVISED STANDARDS

2.1 New and amended accounting standards effective for the current year

In the current year, the Corporation has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that have an effective date of January 1, 2024. The adoption of these standards has not had any material impact on the disclosures and amounts reported in these financial statements.

<u>Amendments to IAS 1 *Presentation of Financial Statements* – Classification of Liabilities as Current or Non-current</u>

These amendments, published in January 2020, only affect the presentation of liabilities in the statement of financial position by clarifying that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period, regardless of expectations regarding the exercise of the right to defer settlement. Furthermore, the amendments explain that rights are in existence if covenants are complied with at the end of the reporting period and define settlement as the transfer to the counter party of cash, equity instruments, other assets or services.

The adoption of these amendments by the Corporation has not had an impact on the consolidated financial statements.

<u>Amendments to IAS 1 *Presentation of Financial Statements* – Non-current Liabilities with Covenants</u>

These amendments, published in October 2022, indicate that only covenants that must be complied with on or before the end of the reporting period affect the right to defer settlement of a liability for at least twelve months after the reporting date and must be considered in assessing the classification of the liability as current or non-current. The right to defer settlement is not affected if the covenants must be complied with after the reporting period, however, if the right to defer settlement of a liability is subject to complying with covenants within twelve months after the reporting period, disclosures must be made to enable users to understand the risk of the liabilities becoming repayable within twelve months after the reporting period.

The adoption of these amendments by the Corporation has not had an impact on the consolidated financial statements.

2. ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

2.2 Accounting standards issued but not yet effective

The Corporation has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than January 1, 2024. Many of these updates are not expected to have any significant impact on the Corporation and are therefore not discussed herein.

- Amendment to IAS 21 *Lack of Exchangeability*
- IFRS 18 *Presentation and Disclosures in Financial Statements*
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

The Corporation does not expect that the adoption of the Standards listed above will have a material impact on the financial statements except as indicated below.

IFRS 18 *Presentation and Disclosures in Financial Statements*

IFRS 18 replaces IAS 1 and will include many of the requirements of IAS 1 in additional to new requirements. IFRS 18 introduces new requirements on that will specify categories and subtotals to be presented in the statement of profit and loss, require disclosure of certain management-defined performance measures and will require the aggregation or disaggregation of information in the financial statements based on shared characteristics or lack of shared characteristics respectively. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027. The Corporation is currently evaluating the potential impact of this new standard on the Corporation's consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

3.1 Basis of accounting

The Financial Statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board and interpretations (collectively IFRS Accounting Standards).

The Financial Statements have been prepared on the historical cost basis, except for financial instruments at fair value.

3.2 Going concern

The Financial Statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Corporation is transitioning from development to production at its flagship Nalunaq project. While initial commissioning activities have commenced, the Corporation has not yet generated significant revenues and continues to incur development and operating costs. The ability of the Corporation to continue as a going concern is dependent upon the successful ramp-up of production and achievement of positive operating cash flows to fund ongoing operations and capital commitments. Should actual performance deviate significantly from the Corporation's expectations or commodity prices decline materially, the Corporation may need to secure additional financing to sustain operations and meet its obligations as they come due. However, management anticipates that existing working capital, expected revenues from initial production, and available credit facilities will be sufficient to meet the Corporation's obligations over the next 12 months. Based on these expectations, the financial statements have been prepared on a going concern basis.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Basis of consolidation

The Financial Statements include the accounts of the Corporation and those of its subsidiary Nalunaq A/S, corporation incorporated under the *Greenland Public Companies Act*, owned at 100%. The Financial Statements also include the Corporation's 51% equity share of Gardaq A/S, a joint venture with GCAM LP (Note 8).

Control is defined by the authority to direct the financial and operating policies of a business in order to obtain benefits from its activities. The amounts presented in the consolidated financial statements of subsidiary have been adjusted, if necessary, so that they meet the accounting policies adopted by the Corporation.

Profit or loss or other comprehensive loss of subsidiary set up, acquired or sold during the year are recorded from the actual date of acquisition or until the effective date of the sale, if any. All intercompany transactions, balances,

income and expenses are eliminated at consolidation.

3.4 Investments in joint venture

The financial results of the Corporation's investments in its joint arrangement are included in the Corporation's results using the equity method. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Corporation's share of comprehensive income or loss of the joint venture after the date of acquisition. The Corporation's share of profits or losses is recognized in the consolidated statement of comprehensive loss.

The Corporation assesses at each period-end whether there is any objective evidence that its investments in joint ventures are impaired. If impaired, the carrying value of the Corporation's share of the underlying assets of the joint venture is written down to its estimated recoverable amount (being the higher of fair value less costs of disposal and value in use) and charged to the consolidated statement of income (loss).

3.5 Functional and presentation currency – Foreign currency transactions

The functional and presentation currency of the Corporation is Canadian dollars ("CAD"). The functional currency of Nalunaq A/S and Gardaq A/S is CAD. The functional currency of Nalunaq A/S and Gardaq A/S is determined using the currency of the primary source of economic activity and using the currency which is more representative of the economic effect of the underlying financings, transactions, events and conditions.

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 Mineral properties and exploration and evaluation expenses

Mineral properties include rights in mining properties, paid or acquired through a business combination or an acquisition of assets, and costs related to the initial search for mineral deposits with economic potential or to obtain more information about existing mineral deposits.

All costs incurred prior to obtaining the legal rights to undertake exploration and evaluation on an area of interest are expensed as incurred.

Mining rights are recorded at acquisition cost or at its recoverable amount in the case of a devaluation caused by an impairment of value. Mining rights and options to acquire undivided interests in mining rights are depreciated only as these properties are put into commercial production. Proceeds from the sale of mineral properties are applied as a reduction of the related carrying costs and any excess or shortfall is recorded as a gain or loss in the consolidated statement of comprehensive loss.

Exploration and evaluation expenses ("E&E expenses") also typically include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore such as topographical, geological, geochemical and geophysical studies. Generally, expenditures relating to exploration and evaluation activities are expensed as incurred.

E&E expenses include costs related to establishing the technical and commercial viability of extracting a mineral resource identified through exploration or acquired through a business combination or asset acquisition. E&E include the cost of:

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve;
- determining the optimal methods of extraction and metallurgical and treatment processes, including the separation process, for Corporation' mining properties;
- studies related to surveying, transportation and infrastructure requirements;
- permitting activities; and
- economic evaluations to determine whether development of the mineralized material is commercially justified.

Technical feasibility and commercial viability of an exploration and evaluation asset are demonstrated when considering the facts and circumstances relating to the asset under assessment. These facts and circumstances include, but are not limited to, the following:

- The life of mine plan and economic modeling support the economic extraction of such resources and/or reserves;
- The operating and environment permits for the area to be mined exist or are reasonably assured as obtained; and
- The Board has approved the decision to proceed to the development phase

E&E include overhead expenses directly attributable to the related activities.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Inventory

Ore stockpile, gold-in-circuit and gold dore inventory are recorded at the lower of cost and net realizable value and their cost includes direct labour costs, other direct costs and production overheads based on normal operating capacity (including depreciation on property, plant and equipment).

Net realizable value is assessed at each reporting period and if it is less than the cost of inventory, then the inventory is written down to its net realizable value. If the net realizable value increases in subsequent reporting periods, the write-down is reversed.

Spare parts and supplies inventory are recorded at the lower of cost and net realizable value and their cost includes purchase, freight and other costs attributable to their acquisition and preparation.

3.8 Capital assets

Capital assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of an asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Corporation and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced.

The intangible assets include software with a definite useful life. The assets are capitalized and amortized on a straight-line basis in the consolidated statement of comprehensive loss. The intangible assets are assessed for impairment whenever there is an indication that the intangible assets may be impaired.

Depreciation is calculated to amortize the cost of the capital assets less their residual values over their estimated useful lives using the straight-line method and following periods by major categories:

Field equipment and infrastructure related to exploration and evaluation activities	3 to 10 years
Vehicles and rolling stock	3 to 10 years
Equipment	3 to 10 years
Software	3 to 10 years
Right-of-use assets	Lease term

Depreciation of capital assets, if related to exploration activities, is expensed consistently with the policy for exploration and evaluation expenses. For those which are not related to exploration and evaluation activities, depreciation expense is recognized directly in the consolidated statement of comprehensive loss. Assets capitalized under Construction in Progress are not depreciated as they are not available for use yet.

Residual values, methods of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Proceeds from selling items before the related item of Property, plant and equipment is available for use are recognized in profit or loss, together with the costs of producing those items. The Corporation therefore distinguishes between the costs associated with producing and selling items before the item of Property, plant and equipment (pre-production revenue) is available for use and the costs associated with making the item of Property, plant and equipment available for its intended use. For the sale of items that are not part of the Corporation's ordinary activities, the Corporation discloses separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the consolidated statement of comprehensive loss.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8.1 Nalunaq mine project

Management established that effective September 1, 2023, the Nalunaq Project is in the development phase. Accordingly, all expenditures related to the restart of the Nalunaq mine and the associated development of the initial processing plant and surface infrastructure are capitalized under Construction in Progress within Capital assets (see note 10). Capitalized expenditures will be carried at cost until the Nalunaq Project is placed into commercial production, sold, abandoned, or determined by management to be impaired in value. The mine and mobile equipment, process plant building and the Nalunaq mine are not yet available for use as intended by Management as at December 31, 2024, therefore, depreciation has not yet commenced.

3.9 Leases

At the commencement date of a lease, a liability is recognized to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset) is also recognized. The interest expense on the lease liability is recognized separately from the depreciation expense on the right-of-use asset.

The lease liability is remeasured upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). This remeasurement is generally recognized as an adjustment to the right-of-use asset. Leases of "low-value" assets and short-term leases (12 months or less) are recognized on a straight-line basis as an expense in the consolidated statement of comprehensive loss.

3.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets. Qualifying assets are assets that take a substantial period of time until they are ready for their intended use. Borrowing costs, less any temporary investment income on those borrowings, that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset if it is probable that they will result in future economic benefits to the Corporation and the costs can be measured reliably. Borrowing costs that are incurred for general purposes are allocated to qualifying assets by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate shall be the weighted average of the borrowing costs appliable to all borrowings of the Corporation that are outstanding during the period. Capitalisation of borrowing costs ceases when the all the activities necessary to prepare the qualifying asset for its intended use or sale are substantially complete.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.11 Impairment of non-financial assets

Mineral properties and capital assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Corporations estimates the recoverable amount of the asset group to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in the consolidated statement of comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in the impairment charge for the period.

3.12 Asset retirement obligation

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The Corporation may be found to be responsible for damage caused by prior owners and operators of its unproven mineral interests and in relation to interests previously held by the Corporation.

On initial recognition, the estimated net present value of a provision is recorded as a liability and a corresponding amount is added to the capitalized cost of the related non-financial asset or charged to consolidated statement of comprehensive loss if the property has been written off. Discount rates using a pre-tax rate that reflects the time value of money, and the risk associated with the liability are used to calculate the net present value. The provision is evaluated at the end of each reporting period for changes in the estimated amount or timing of settlement of the obligation.

3.13 Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are substantively enacted by the date of the consolidated statement of financial position.

Deferred income taxes are provided using the liability method on temporary differences at the date of the consolidated statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable earnings; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.14 Equity

Capital stock represents the amount received on the issue of shares. Warrants represent the allocation of the amount received for units issued as well as the charge recorded for the broker warrants relating to financing. Options represent the charges related to stock options until they are exercised. Contributed surplus includes charges related to stock options and the warrants that are expired and not yet exercised. Contributed surplus also includes contributions from shareholders. Deficit includes all current and prior period retained profits or losses and share issue expenses.

Share and warrant issue expenses are accounted for in the year in which they are incurred and are recorded as a deduction to equity in the year in which the shares and warrants are issued.

Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate to, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

Proceeds from unit placements are allocated between shares and warrants issued on a pro-rata basis of their value within the unit using the Black-Scholes pricing model.

3.15 Interest income

Interest income from financial assets is accrued, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3.16 Stock-based compensation

Employees and consultants of the Corporation may receive a portion of their compensation in the form of share-based payment transactions, whereby employees or consultants render services as consideration for equity instruments ("equity-settled transactions").

The costs of equity-settled transactions with employees and others providing similar services are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Corporation' best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in contributed surplus.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional amount is recognized on the same basis as the amount of the original award for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.17 Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding options, restricted share unit and warrants, in the weighted average number of common shares outstanding during the year, if dilutive. During 2024 and 2023, all the outstanding common share equivalents were anti-dilutive.

3.18 Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument.

All financial instruments are required to be measured at fair value on initial recognition. The fair value is based on quoted market prices, unless the financial instruments are not traded in an active market. In this case, the fair value is determined by using valuation techniques like the Black-Scholes option pricing model or other valuation techniques.

3.18.1 Financial assets

Financial assets are derecognized when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and all substantial risks and rewards have been transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Corporation classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired.

Amortized cost:
Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments constituted solely of payments of principal and interest that are held within a "held to collect" business model. Financial assets at amortized cost are initially recognized at the amount expected to be received, less, when material, a discount to reduce the financial assets to fair value. Subsequently, financial assets at amortized cost are measured using the effective interest method less a provision for expected losses. The Corporation's cash, due from a related party, and escrow account for environmental monitoring are classified within this category.

Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive loss.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.18.2 Financial liabilities and equity

A financial liability is derecognized when extinguished, discharged, terminated, cancelled or expired.

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities measured at amortized cost
Financial liabilities are initially measured at fair value. Transaction costs directly attributable to the issuance of the financial liability, other than financial liabilities at fair value through profit or loss, are deducted from the financial liability's fair value on initial recognition. Transaction costs directly attributable to the issuance of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Equity instruments
An equity instrument is a contract that evidences a residual interest in the assets of an entity net of its liabilities.

Compound instruments
The terms of a convertible note are evaluated to determine whether it contains both a liability and an equity component. These components are classified separately as financial liabilities, financial assets or equity instruments. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the parent company's equity instruments is an equity instrument.

The fair value of the liability component of the convertible note instrument is estimated using market interest rates for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until the instrument's maturity date or conversion.

The value of the conversion option classified as equity is determined by subtracting the financial liability component's fair value from the compound instrument as a whole. The conversion option is then included in equity and is not subsequently re-measured.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds, with the transaction costs related to the equity component being allocated to equity, while the transaction costs related to the liability component are included in the carrying amount of the liability component and amortised over the life of the convertible loan note.

Embedded derivatives
Embedded derivatives are components of hybrid contracts. Hybrid contracts contain a non-derivative host and an embedded derivative which impacts the combined instrument in a way similar to a stand-alone derivative.

Derivatives that are embedded in hybrid contracts whose non-derivative host is not a financial asset (for example, a financial liability) are recognised as separate derivatives if they meet the definition of a derivative and their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss. Embedded derivatives that are separated from a financial liability host contract are measured at fair value. The residual value of the hybrid contract is then allocated to the financial liability host contract.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.18.3 Impairment of financial assets

Amortized cost:
At each reporting date, the Corporation assesses, on a forward-looking basis, the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The expected loss is the difference between the amortized cost of the financial asset and the present value of the expected future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account. Provisions for expected losses are adjusted upwards or downwards in subsequent periods if the amount of the expected loss increases or decreases.

3.19 Segment disclosures

The Corporation operates in one industry segment, being the acquisition, exploration and evaluation of mineral properties. All of the Corporation' activities are conducted in Greenland.

3.20 Comparative figures

Certain comparative figures in the consolidated statements of cash flows have been reclassified to conform with the consolidated financial statement presentation adopted in the current year.

4. CRITICAL ACCOUNTING JUDGMENTS AND ASSUMPTIONS

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

JUDGMENTS

4.1 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.

4.1.2 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 the Nalunaq mine and its associated assets, Management has assessed several indicators for evidence of impairment of the mining asset. These indicators included considering whether there were adverse changes in mineral reserves and resource estimates, unanticipated increases in production or capital costs, increases in expected dismantling and restoration costs, significant or unexpected declines in the market prices of gold, and significant adverse movements in foreign exchange rates. As a result of this analysis, management has concluded that the assessed factors and indicators do not require that the Nalunaq mine should be tested for impairment as of December 31, 2024.

4.2 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.

4. CRITICAL ACCOUNTING JUDGMENTS AND ASSUMPTIONS (CONT'D)

4.3 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.

4.4 Technical Feasibility and Commercial Viability ("TFCV")

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, thus supporting the commercial viability of the project.

ESTIMATES AND ASSUMPTIONS

4.5 Asset Retirement Obligation

The asset retirement obligation is 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, inflation 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, the asset retirement obligation represents Management's best estimate of the charge that will result when the actual obligation is terminated.

4.6 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.

(In Canadian Dollars, except as otherwise noted)

4. CRITICAL ACCOUNTING JUDGMENTS AND ASSUMPTIONS (CONT'D)

4.7 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 significant level of estimates and Management's judgement.

Assumptions must be determined at the reporting date. Such assumptions include term, 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.

5. PREPAID EXPENSES AND OTHERS

	2024	2023
	$	$
Advance payments to suppliers and mining contractors	9,116,763	17,848,780
Other prepayments	1,106,684	1,119,663
Total prepaid expenses and others	**10,223,447**	**18,968,443**

The Corporation's prepaid expenses and others mainly consist of downpayments to vendors and contractors involved in the supply of drilling rigs and consumables, process plant equipment, infrastructure and mine development work.

6. INVENTORY

	2024	2023
	$	$
Ore stockpile	2,849,035	-
Supplies and spare parts	2,028,116	166,775
Purchases in transit	5,305,593	513,583
Total inventory	**10,182,744**	**680,358**

Purchases in transit include spare parts, consumables and equipment. The Corporation did not have significant amounts of gold-in-circuit or gold dore as of 31 December 2024.

(In Canadian Dollars, except as otherwise noted)

7. ESCROW ACCOUNT FOR CLOSURE OBLIGATIONS

On behalf of Nalunaq's licence holder, an escrow account has been set up with the holder of the licence as holder of the account and the Government of Greenland as beneficiary. The funds in the escrow account have been provided in favour of the Government of Greenland as security for fulfilling the closure obligations following the closure of the Nalunaq mine after operations are finished (note 14).

	2024	2023
	$	$
Balance beginning	598,939	427,120
Additions	6,044,555	168,140
Effect of foreign exchange	155,610	3,679
Balance ending	6,799,104	598,939
Non-current portion – escrow account for closure obligations	(6,799,104)	(598,939)
Current portion – escrow account for closure obligations	**-**	**-**

8. INVESTMENT IN EQUITY ACCOUNTED JOINT ARRANGEMENT

	As at December 31, 2024	As at December 31, 2023
	$	$
Balance at beginning of period	23,492,811	-
Original investment in Gardaq ApS	-	7,422
Transfer of non-gold strategic minerals licences at cost	-	36,896
Investment at conversion of Gardaq ApS to Gardaq A/S	-	55,344
Gain on FV recognition of equity accounted investment in joint venture	-	31,285,536
Share of joint venture's net losses	(8,590,498)	(7,892,387)
Balance at end of period	**14,902,313**	**23,492,811**
Original investment in Gardaq ApS	7,422	7,422
Transfer of non-gold strategic minerals licences at cost	36,896	36,896
Investment at conversion of Gardaq ApS to Gardaq A/S	55,344	55,344
Gain on FV recognition of equity accounted investment in joint venture	31,285,536	31,285,536
Investment retained at fair value- 51% share	31,385,198	31,385,198
Share of joint venture's cumulative net losses	(16,482,885)	(7,892,387)
Balance at end of period	**14,902,313**	**23,492,811**

On June 10, 2022, the Corporation announced that it had signed a non-binding head of terms with ACAM to establish a special purpose vehicle (the "SPV") and created a joint venture (the "JV") for the exploration and development of its Strategic Mineral assets for a combined contribution of $62.0 million (GBP 36.7 million). Subject to the final terms of the JV, ACAM invested $30.1 million (GBP 18 million) in exchange for a 49% shareholding in the SPV, with Amaroq holding 51%. Amaroq contributed its strategic non- precious mineral (i.e., non-gold) licenses, and will be required to provide a contribution in kind over a three-year period, valued, in aggregate, at $31.4 million (GBP 18.7 million) in the form of site support, logistics and overhead costs associated with utilizing its existing infrastructure in Southern Greenland to support the JV's activities. The transfer of these licenses was approved by the Greenland Government on April 13, 2023.

(In Canadian Dollars, except as otherwise noted)

8. INVESTMENT IN EQUITY ACCOUNTED JOINT ARRANGEMENT (CONT'D)

The carrying value of the strategic non-precious mineral licenses transferred to Gardaq A/S is $36,896 (Note 9).

Upon execution of the Subscription and Shareholders' Agreement ("SSHA") on April 13, 2023, the Corporation has ceased the control of Gardaq on that date. As a result of the Corporation losing control over the subsidiary:

- The Corporation derecognizes the assets and liabilities of the subsidiary from the consolidated statement of financial position,
- Recognizes the fair value of the consideration received from the transaction that has resulted in the loss of control,
- Recognizes any investment retained in the former subsidiary at its fair value once control is lost and subsequently accounts for it and any amounts owed by or to the former subsidiary in accordance with the relevant IFRS. The fair value shall be regarded as a fair value of the initial recognition of the investment in the joint venture,
- Subsequently recognizes joint venture's share of net profits or losses proportionately to the retained share of investment for the reporting periods.

Given that the relevant activities of Gardaq require unanimous consent of its shareholders in accordance with the SSHA, Management has determined that it has joint control and as such the Corporation performed deconsolidation of Gardaq A/S as at April 13, 2023, the date when control was lost. The fair value of the 51% equity investment retained in Gardaq A/S was determined to be $31,385,198 (GBP 18.7million). The fair value of Gardaq A/S was measured based on the cash consideration received in exchange for 49% of the outstanding shares.

The Corporation has determined that it has a joint control in Gardaq A/S as decisions around relevant activities require unanimous shareholder approval. Effective April 13, 2023, the Corporation's investment was accounted for as an investment in joint venture using the equity method. The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for the Corporation's proportionate share of the profit or loss, other comprehensive income or loss and any other changes in the joint venture's net assets, such as further investments or dividends. For the year ended December 31, 2024 the Corporation recorded the 51% proportion of net loss from Gardaq of $8,590,498 ($7,892,387 as at 31 December 2023).

The following tables summarize the financial information of Gardaq A/S.

	As at December 31, 2024	**As at December 31, 2023**
	$	$
Cash and cash equivalent	4,819,296	18,377,850
Prepaid expenses and other	105,054	351,752
Total current assets	4,924,350	18,729,602
Mineral property	117,576	92,239
Total assets	**5,041,926**	**18,821,841**
Accounts payable and accrued liabilities	415,194	528,235
Financial liability - related party	6,699,179	3,521,938
Total liabilities	7,114,373	4,050,173
Capital stock	30,246,937	30,246,937
Deficit	(32,319,384)	(15,475,269)
Total equity	(2,072,447)	14,771,668
Total liabilities and equity	**5,041,926**	**18,821,841**

(In Canadian Dollars, except as otherwise noted)

8. INVESTMENT IN EQUITY ACCOUNTED JOINT ARRANGEMENT (CONT'D)

	For the year ended December 31, 2024	For the year ended December 31, 2023
	$	$
Exploration and Evaluation expenses	(14,850,343)	(13,950,672)
Interest income	7,368	2,651
Foreign exchange gain	587,591	187,011
Operating loss	**(14,255,384)**	**(13,761,010)**
Other expenses	(2,588,730)	(1,714,260)
Net loss and comprehensive loss	**(16,844,114)**	**(15,475,270)**

8.1 Financial Asset – Related Party

Subject to a Subscription and Shareholder Agreement dated 13 April 2023, the Corporation undertakes to subscribe to two ordinary shares in Gardaq (the "Amaroq shares") at a subscription price of GBP 5,000,000 no later than 10 business days after the third anniversary of the completion of the subscription agreement.

Amaroq's subscription will be completed by the conversion of Gardaq's related party balance into equity shares. Gardaq's related party payable balance consists of overhead, management, general and administrative expenses payable to the Corporation. In the event that the related party payable balance is less than GBP 5,000,000, the Corporation shall, no later than 10 business days after the third anniversary of Completion:

a) subscribe to one Amaroq share by conversion of the amount payable to the Corporation,
b) subscribe to one Amaroq share at a subscription price equal to GBP 5,000,000 less the amount payable to the Corporation

In the event that the amount payable to the Corporation exceeds GBP 5,000,000, the Corporation shall subscribe to the Amaroq shares at a subscription price equal to GBP 5,000,000 by conversion of GBP 5,000,000 of the amount due from Gardaq. Gardaq shall not be liable to repay any of the balance payable to the Corporation that exceeds GBP 5,000,000 (equivalent to CAD 9,009,009 as at 31 December 2024).

During the year ended 31 December 2024, the Corporation determined that the financial asset should be reclassified to the non-current asset category since the amount will be settled during April 2026. As a result, an amount of $6,699,179 has been reclassified to non-current assets as at 31 December 2024 ($3,521,938 reclassified as at 31 December 2023).

(In Canadian Dollars, except as otherwise noted)

9. MINERAL PROPERTIES

	As at December 31, 2023	Transfer	As at December 31, 2024
	$	$	$
Nalunaq – Au	1	-	1
Tartoq – Au	18,431	-	18,431
Vagar – Au	11,103	-	11,103
Nuna Nutaaq – Au	6,076	-	6,076
Anoritooq – Au	6,389	-	6,389
Siku – Au	6,821	(138)	6,683
Total mineral properties	**48,821**	**(138)**	**48,683**

	As at December 31, 2022	Transfers	As at December 31, 2023
	$	$	$
Nalunaq - Au	1	-	1
Tartoq - Au	18,431	-	18,431
Vagar - Au	11,103	-	11,103
Nuna Nutaaq - Au	6,076	-	6,076
Anoritooq - Au	6,389	-	6,389
Siku - Au	6,821	-	6,821
Naalagaaffiup Portornga - Strategic Minerals	6,334	(6,334)	-
Saarloq - Strategic Minerals	7,348	(7,348)	-
Sava - Strategic Minerals	6,562	(6,562)	-
Kobberminebugt - Strategic Minerals	6,840	(6,840)	-
Stendalen - Strategic Minerals	4,837	(4,837)	-
North Sava - Strategic Minerals	4,837	(4,837)	-
Total mineral properties	**85,579**	**(36,758)**	**48,821**

9. MINERAL PROPERTIES (CONT'D)

9.1 Nalunaq - Au

Nalunaq A/S holds the gold exploitation licence number 2003/05 on the Nalunaq property (the "Nalunaq Licence") located in South West Greenland. The licence expires in April 2033 with an extension possible up to 20 years.

9.1.1 Collaboration agreement and project schedule

Cyrus Capital Partners LP was the main creditor of Angel Mining PLC, the parent company of Angel Mining (Gold) A/S. Angel Mining PLC went into administration in February 2013 and as part of the Administrator's restructuring process, FBC Mining (Holdings) Ltd. ("FBC Mining") and Arctic Resources Capital S.à r.l. ("ARC") agreed to enter into a collaboration agreement ("Collaboration Agreement") (signed July 15, 2015) to progress the Nalunaq exploration project. FBC Mining is a 100% subsidiary of FBC Holdings S.à r.l which is managed by Cyrus Capital Partners LP.

9. MINERAL PROPERTIES (CONT'D)

In addition, ARC, FBC Mining and AEX Gold Limited (previously known as FBC Mining (Nalunaq) Limited) (a 100% subsidiary of FBC Mining) signed on July 17, 2015 the Nalunaq project schedule ("2015 Project Schedule") which was continued following the signature with Nalunaq A/S on March 31, 2017 of the 2016-2017 Nalunaq Project Schedule ("2016-2017 Project Schedule"), (collectively "Project Schedules").

Finally, the conditions relating to a processing plant located on the Nalunaq Licence ("Processing Plant") and a royalty payment were outlined in the 2015 Project Schedule and formalized in the processing plant and royalty agreement ("Processing Plant and Royalty Agreement") signed on March 31, 2017 and the conditions are as follows:

a) AEX Gold Limited transfers the Processing Plant to Nalunaq A/S under the following conditions:
   (i) An initial purchase price of US$1;
   (ii) A deferred consideration of US$1,999,999 ("Deferred Consideration") on a pay as you go basis until the Deferred Consideration is paid in full. If only part of the Processing Plant is used, then the Deferred Consideration payable shall be reduced by an amount to be agreed by the parties to reflect the value of the part of the Processing Plant used.
   (iii) The Deferred Consideration may be reduced to the extent that the Processing Plant or any part which is being used requires repairs, is not in good working condition or will not be capable of doing the work for which it was designed.
   (iv) Nalunaq A/S may dispose or otherwise deal with the Processing Plant or any part of it at its own cost. If any disposal proceeds (defined as proceeds received minus costs of dealing with the disposal) are received, that disposal proceeds shall be paid to AEX Gold Limited and such amount shall be deemed to be Deferred Consideration. If there are any disposal proceeds remaining after the Deferred Consideration has been paid in full, the disposal proceeds remaining may be retained by Nalunaq A/S.
b) Nalunaq A/S shall pay to AEX Gold Limited a 1% royalty on Nalunaq A/S' net revenue generated on the Nalunaq Licence (total revenue minus production, transportation and refining costs), provided that in respect to the last completed calendar year, the operating profit per ounce of gold exceeded US$500. The cumulative royalty payments over the life of mine are capped at a maximum of US$1,000,000.

9.1.2 Government of Greenland royalty

On November 26, 2024 Nalunaq A/S received an approved Addendum 9 which now includes conditions on Preliminary Royalty Payments. According to the clauses of Addendum 9 preliminary royalty payments are to be calculated and paid in accordance with the below specified schedule:

- In Calendar Year 1 of sales of exploited minerals the Royalty shall be 1% of the gross sales value before transportation and refining costs
- In Calendar Year 2 of sales of exploited minerals the Royalty shall be 2% of the gross sales value before transportation and refining costs
- In Calendar Year 3 and all subsequent years of the sales of exploited minerals the Royalty shall be 2.5% of the gross sales value before transportation and refining costs

Nalunaq A/S may on certain terms offset an amount equal to paid corporate income tax and corporate dividend tax against the sales royalty to be paid.

9. MINERAL PROPERTIES (CONT'D)

9.1.3 Exploration commitments and exploitation milestones

After Nalunaq A/S has submitted its statements of expenses for the Nalunaq Licence for the 2017 and 2018 years, the MLSA has approved Nalunaq A/S' transition to the subsequent period (sub period 4) without a rollover of the unspent amount.

The Government of Greenland has been confirmed with Addendum No. 5 dated March 2020 which was signed by the Government of Greenland and therefore became effective on March 13, 2020, to extend the requirement dates to perform the following tasks. No later than December 31, 2022, the licensee shall prepare an environmental impact assessment, make a social impact assessment and perform an impact benefit agreement. The time limit for commencement of exploitation is January 1, 2023. As these deadlines have passed, the Government of Greenland has completed Addendum No. 6.

On the 14th and 15th December 2022, the Corporation signed Addendum 6 to the Nalunaq licence which amended certain of the milestone dates pertaining to the licence including commencing exploitation by 1 January 2026; preparing an Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) by December 2023; negotiating, concluding and performing an Impact Benefit Agreement ("IBA") by 31 December 2024. Prior to commencement of exploitation and no later than December 31, 2025 the licence will be amended to include terms on royalty.

On September 21, 2023 and October 13, 2023 the Corporation signed Addendum 7 to the Nalunaq Licence which amended certain of the Milestones pertaining to the licence including preparing an Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) by 30 June 2024. The addendum became effective on November 6, 2023, when it was signed by the Government of Greenland. Failure to satisfy any of the conditions set forth in the addendums to the Nalunaq Licence may result in the MLSA revoking the Nalunaq Licence without further notice.

On April 23, 2024 the Corporation signed Addendum 8 to the Nalunaq Licence which expanded the licence area to include certain mining and camp logistics areas required for the mining of the project.

On November 26, 2024 the Corporation signed Addendum 9 to the Nalunaq Licence which now includes Royalty clauses as well as a temporary approvals of Mining and Closure Plans under sections 77 and 80 of the Act on Mineral Activities and Exclusive Licence 2003/05. The temporary approval period of above-mentioned temporary approval runs until August 31, 2025 and approval terms now include export and sales process of gold dore.

The Corporation provides an update on the progress of the Impact Benefit Agreement (IBA). The Corporation has been actively working in collaboration with the Government of Greenland and Kommune Kujalleq to advance the IBA. However, due to the Government of Greenland's need to address competing priorities, the IBA was not formalized by 31 December 2024, as was previously announced. In recognition of these circumstances, the potential for an extension of the deadline to 30 June 2025 has been indicated by the Government of Greenland. Amaroq remains fully committed to its collaborative approach to ensure the IBA reflects the shared objectives of all parties.

9. MINERAL PROPERTIES (CONT'D)

9.2 Tartoq - Au

9.2.1 Purchase of the Tartoq Licence

Nalunaq A/S signed on July 6, 2016 a sale and purchase agreement, to purchase from Nanoq Resources Ltd. the Tartoq exploration licence number 2015/17 located in Southwest Greenland, for a total consideration of $7,221. The licence originally expired December 31, 2024 with an entitlement to a 5-year extension. The renewal for a period of five years has been confirmed with Addendum No. 3 dated February 2020 which was signed by Nalunaq A/S on February 13, 2020 and became effective on March 13, 2020 when it was signed by the Government of Greenland. In response to the COVID 19 pandemic, the Government of Greenland gave an extension of the licence period for all exploration licences by two years, therefore the licence expires December 31, 2026.

9.2.2 Exploration commitments

For the exploration licence, Nalunaq A/S 2024 obligation is DKK 2,087,600 of exploration activities in 2024, which together with the carried forward 2023 licence obligation of DKK 2,773,743 will result in DKK 4,861,343 ($972,969 using the exchange rate as at December 31, 2024) exploration obligation in 2024 before an approval of 2024 incurred expenses by MLSA. For the purpose of crediting expenditures against the amounts set forth in the Tartoq Licence, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditures 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 statements of expenses for the Tartoq exploration licence for the 2024 year to the MLSA by April 1, 2025.

9.3 Vagar - Au

9.3.1 Purchase of the Vagar Licence

Nalunaq A/S entered into a sale and purchase agreement with NunaMinerals A/S, acting through its bankruptcy receiver, on February 6, 2017 to acquire the Vagar exploration licence number 2006/10 ("Vagar Licence") located in Western Greenland, along with all mineral exploration and mining-related data, maps and reports pertaining to the Vagar Licence, studies and reports, for a purchase price of $9,465 (DKK 50,000). Upon the approval of the Greenland authorities received on October 30, 2017, Nalunaq A/S signed the paperwork to complete the licence transfer, which became effective upon the Greenland authorities executing the document on January 18, 2018. The licence originally expired December 31, 2021 with a possible 6-year extension. In response to the COVID 19 pandemic, the Government of Greenland gave an extension of the licence period for all exploration licences by two years, therefore the licence expired December 31, 2023.

The Corporation has applied for an additional 3 years extension and a licence reduction to a total area of 220 km^2. The Government of Greenland agreed on May 2024 and gave an extension of the licence period by 3 years, therefore the licence expires December 31, 2026.

9. MINERAL PROPERTIES (CONT'D)

9.3.2 Exploration commitments

For the exploration licence, Nalunaq A/S shall complete DKK 36,651,318 of exploration activities in 2024. 2023 carried forward balance was DKK 20,437,644, resulting in DKK 57,088,962 ($11,426,013 using the exchange rate as at December 31, 2024) exploration obligation in 2024 before an approval of 2024 incurred expenditures by MLSA. For the purpose of crediting expenditures against the amounts set forth in the Vagar Licence, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditures 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 the Vagar exploration licence for the 2024 year to the MLSA by April 1, 2025.

9.4 Nuna Nutaaq - Au

9.4.1 Purchase of the Nuna Nutaaq Licence

The Corporation has acquired the right to conduct exploration activities on approximately 244km^2 of land in an area of Itillersuaq near Narsaq in South Greenland. The exploration rights have been granted to the Corporation under a new separate Exploration Licence 2019/113 Nuna Nutaaq. The licence application has been approved and all required documentation was signed by the Corporation on September 13, 2019 and the licence became effective on September 26, 2019 when it was signed by the Government of Greenland. The licence originally expired December 31, 2023 with an entitlement to a 5-year extension. In response to the COVID 19 pandemic, the Government of Greenland gave an extension of the licence period for all exploration licences by two years, therefore the licence expires December 31, 2025.

9.4.2 Exploration commitments

In 2024 Nalunaq A/S shall complete DKK 2,513,969 of exploration activities, received an approval of 2023 exploration expenses of DKK 367,817 and 2023 carried forward credits balance of DKK 3,597,639 which results in a total credit of DKK 1,083,670 for 2024 (credit of $216,890 using the exchange rate as at December 31, 2024) so there is no exploration obligation in 2024 which was confirmed by MLSA. For the purpose of crediting expenditures against the amounts set forth in the Nuna Nutaaq Licence, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditures 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 statements of expenses for the Nuna Nutaaq exploration licence for the 2024 year to the MLSA by April 1, 2025.

9.5 Anoritooq - Au

9.5.1 Purchase of the Anoritooq Licence

The Corporation acquired the right to conduct exploration activities on approximately 1,185km^2 of land in the areas of Anoritooq and Kangerluluk in South Greenland. The exploration rights have been granted to the Corporation under a new separate Exploration Licence 2020/36, referred to as Anoritooq. The licence application has been approved and all required documentation was signed by the Corporation on June 11, 2020 and the licence became effective on June 24, 2020 when it was signed by the Government of Greenland. In October 2020, the Corporation was granted an addendum to the Anoritooq Licence, increasing the size of the licence to 1,889km^2 and became effective November 6, 2020 when it was signed by the Government of Greenland. The licence originally expired December 31, 2024 with a possible 5-year extension. In response to the COVID 19 pandemic, the Government of Greenland gave an extension of the licence period for all exploration licences by two years, therefore the licence expires December 31, 2026.

9. MINERAL PROPERTIES (CONT'D)

9.5.2 Exploration commitments

In 2024 Nalunaq A/S shall complete DKK 10,827,793 of exploration activities and carry forward balance of 2023 was DKK 2,682,472 which results in total of DKK 13,510,265 ($2,703,999 using the exchange rate as at December 31, 2024) exploration obligation in 2024 before an approval of 2024 expenses by MLSA. For the purpose of crediting expenditures against the amounts set forth in the Anoritooq Licence, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditures 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 the Anoritooq exploration licence for the 2024 year to the MLSA by April 1, 2025.

9.6 Siku - Au

9.6.1 Purchase of the Siku Licence

The Corporation acquired the right to conduct exploration activities on approximately 251km^2 of land in an areas between the Nanoq and Jokum's Shear project on the east coast of South Greenland. The exploration rights have been granted to the Corporation under a new separate Exploration Licence 2022/08, referred to as Siku. The licence application has been approved and all required documentation was signed by the Corporation on May 10, 2022 and the licence became effective on June 3, 2022 when it was signed by the Government of Greenland. The licence expires December 31, 2026 with a possible 5-year extension.

9.6.2 Exploration commitments

For the exploration licence, Nalunaq A/S shall complete DKK 2,571,840 of exploration activities in 2024 and carried forward DKK 900,315 from 2023 resulting in total obligation balance of DKK 3,472,155 ($694,931 using the exchange rate as at December 31, 2024). For the purpose of crediting expenditures against the amounts set forth in the Siku Licence, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditures 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 the Siku exploration licence for the 2024 year to the MLSA by April 1, 2025.

9.7 Genex

On May 2024, Nalunaq A/S was granted a prospecting licence number 2024/62 covering East Greenland, in this context defined as areas south of 75ºN and east of 44ºW. It is valid for a term of five years until December 31, 2028. Nalunaq A/S is not obligated to spend exploration expenses regarding this licence area during this period.

On October 28, 2022, Nalunaq A/S was awarded a prospecting licence number 2022/77 covering West Greenland, in this context defined as areas south of 78ºN and west of 44ºW. It is valid for a term of five years until December 31, 2027. Nalunaq A/S is not obligated to spend exploration expenses regarding this licence area during this period.

(In Canadian Dollars, except as otherwise noted)

10. CAPITAL ASSETS

	Field equipment and infrastructure	Vehicles and rolling stock	Equipment (including software)	Construction in progress	Total
	$	$	$	$	$
December 31, 2024					
Opening net book value	1,537,379	3,312,118	108,822	33,283,240	38,241,559
Additions	-	1,941,750	138	121,632,085	123,573,973
Disposals	-	(149,916)	-	-	(149,916)
Depreciation	(198,373)	(558,380)	(62,389)	-	(819,142)
Closing net book value	**1,339,006**	**4,545,572**	**46,571**	**154,915,325**	**160,846,474**

	Field equipment and infrastructure	Vehicles and rolling stock	Equipment (including software)	Construction in progress	Total
	$	$	$	$	$
As at December 31, 2024					
Cost	2,351,042	6,197,074	232,231	154,915,325	163,695,672
Accumulated depreciation	(1,012,036)	(1,651,502)	(185,660)	-	(2,849,198)
Closing net book value	**1,339,006**	**4,545,572**	**46,571**	**154,915,325**	**160,846,474**

	Field equipment and infrastructure	Vehicles and rolling stock	Equipment (including software)	Construction In progress	Total
	$	$	$	$	$
December 31, 2023					
Opening net book value	1,735,752	3,742,384	216,385	7,522,085	13,216,606
Additions	-	-	-	25,761,155	25,761,155
Disposals	-	-	(80,983)	-	(80,983)
Adjustment	-	-	43,054	-	43,054
Depreciation	(198,373)	(430,266)	(69,634)	-	(698,273)
Closing net book value	**1,537,379**	**3,312,118**	**108,822**	**33,283,240**	**38,241,559**

	Field equipment and infrastructure	Vehicles and rolling stock	Equipment (including software)	Construction In progress	Total
	$	$	$	$	$
As at December 31, 2023					
Cost	2,351,041	4,466,971	232,231	33,283,240	40,333,483
Accumulated depreciation	(813,662)	(1,154,853)	(123,409)	-	(2,091,924)
Closing net book value	**1,537,379**	**3,312,118**	**108,822**	**33,283,240**	**38,241,559**

(In Canadian Dollars, except as otherwise noted)

10. CAPITAL ASSETS (CONT'D)

Depreciation of capital assets related to exploration and evaluation properties is being recorded in exploration and evaluation expenses in the consolidated statement of comprehensive loss, under depreciation. Depreciation of $682,661 ($635,773 in 2023) was expensed as exploration and evaluation expenses in 2024. During 2024, Vehicles and rolling stock depreciation of $74,477 ($0 in 2023) was capitalized to construction in progress.

As at December 31, 2024, the Corporation had capital commitments, of $16,232,290 ($56,681,735 as at December 31, 2023). These commitments relate to the continued development of the mine, construction and commissioning of the processing plant, purchases of mobile equipment and establishment of surface infrastructure.

During 2024 the Corporation capitalised borrowing costs of $5,323,501 ($1,457,638 in 2023) to construction in progress, which are included in additions. Borrowing costs included in the cost of construction in progress arose on the Company's convertible note and loan payables. Refer to note 12 for details with respect to the interest rates on these loans.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	**2023**
	$	$
Suppliers and mining contractors payable	17,176,818	6,202,528
Employee benefits payable	707,211	299,512
Other liabilities	349,084	58,814
Total accounts payable and accrued liabilities	**18,233,113**	**6,560,854**

The Corporation's accounts payable and accrued liabilities mainly consist of amounts due to vendors and contractors involved in mine development work as well as process plant construction and commissioning activities.

(In Canadian Dollars, except as otherwise noted)

12. CONVERTIBLE NOTES AND LOANS PAYABLE

CONVERTIBLE NOTES	Convertible notes loan	Embedded Derivatives at FVTPL	Total
	$	$	$
Balance as at December 31, 2023	11,763,053	23,980,074	35,743,127
Accretion of discount	2,962,438	-	2,962,438
Accrued interest	1,158,887	-	1,158,887
Fair value change	-	(1,722,682)	(1,722,682)
Foreign exchange loss	172,268	-	172,268
Conversion of note to equity	(14,769,861)	(22,257,392)	(37,027,253)
Commitment fee payable reclassified to loans payable	(1,286,785)	-	(1,286,785)
Balance as at December 31, 2024	**-**	**-**	**-**

CONVERTIBLE NOTES	Convertible notes loan	Embedded Derivatives at FVTPL	Total
	$	$	$
Balance as at December 31, 2022	-	-	-
Gross proceeds from issue	30,431,180	-	30,431,180
Embedded derivative component	(19,443,663)	19,443,663	-
Transaction costs	(362,502)	-	(362,502)
Accretion of discount	949,062	-	949,062
Accrued interest	508,576	-	508,576
Fair value change	-	4,536,411	4,536,411
Foreign exchange gain	(319,600)	-	(319,600)
Balance as at December 31, 2023	**11,763,053**	**23,980,074**	**35,743,127**
Non-current portion	-	-	-
Current portion	**11,763,053**	**23,980,074**	**35,743,127**

LOANS PAYABLE	As at December 31, 2024	As at December 31, 2023
	$	$
Balance, beginning	-	-
Gross proceeds from issue	25,087,636	-
Recognition of loan after note conversion (note 12.1)	1,286,785	
Transaction costs	(693,272)	-
Accretion of discount	318,238	-
Accrued interest	1,010,823	-
Foreign exchange gain	1,611,522	-
Balance, ending	**28,621,732**	**-**
Non-current portion	-	-
Current portion	**28,621,732**	**-**

12.1 Convertible notes

Convertible notes represent $30.4 million (US$22.4 million) notes issued to ECAM LP (US$16 million), JLE Property Ltd. (US$4 million) and Livermore Partners LLC (US$2.4 million) on September 1, 2023 with a four-year term and a fixed interest rate of 5%. The conversion price of $0.90 per common share is the closing Canadian market price of the Amaroq shares on the day, prior to the closing day of the Debt Financing.

12. CONVERTIBLE NOTES AND LOANS PAYABLE (CONT'D)

The convertible notes are denominated in US Dollars with a maturity date of September 1, 2027, being the date that is four years from the convertible note offering closing date. The principal amount of the convertible notes is convertible, in whole or in part, at any time from one month after issuance into common shares of the Corporation ("Common Shares") at a conversion price of $0.90 (£0.525) per Common Share for a total of up to 33,629,068 Common Shares. The Corporation may repay the convertible notes and accrued interest at any time, in cash, subject to providing 30 days' notice to the relevant noteholders, with such noteholders having the option to convert such convertible notes into Common Shares at the conversion price up to 5 days prior to the redemption date. If the Corporation chooses to redeem some but not all of the outstanding convertible notes, the Corporation shall redeem a pro rata share of each noteholder's holding of convertible notes. The Corporation shall pay a commitment fee to the holders of the convertible notes of, in aggregate, $5,511,293 (US$4,484,032), which shall be paid pro rata to each noteholder's holding of convertible notes. The commitment fee is payable on the earlier of (a) the date falling 20 business days after all amounts outstanding under the Bank Revolving Credit Facility have been repaid in full, but no earlier than the date that is 24 months after the date of issuance of the notes; and (b) the date falling 30 (thirty) months after the date of the subscription agreement in respect of the notes, irrespective of whether or not notes have converted at that date or been repaid.

The convertible notes are secured by (i) bank account pledge agreements from the Corporation and Nalunaq A/S, (ii) share pledges over all current and future acquired shares in Nalunaq A/S and Gardaq A/S held by the Corporation pursuant to the terms of share pledge agreements, (iii) a proceeds loan assignment agreement, (iv) a pledge agreement in respect of owner's mortgage deeds and (v) a licence transfer agreement.

The convertible notes represent hybrid financial instruments with embedded derivatives requiring separation. The debt host portion (the "Host") of the instrument was initially recognised at fair value and subsequently measured at amortized cost, whereas the aggregate conversion and repayment options (the "Embedded Derivatives") are classified at fair value through profit and loss (FVTPL).

The fair value of the convertible notes at inception was recognized at $30.4 million (US$22.4 million) and $19.4 million (US$14.3 million) embedded derivative component was isolated and determined using a Black Scholes valuation model which required the use of significant unobservable inputs. As of October 4, 2024, immediately prior to the note's conversion to equity, the Corporation identified the fair value of embedded derivative associated with the early conversion option to be $22.3 million ($24.0 million as of December 31, 2023). The change in fair value of embedded derivative in the period from January 1, 2024, to December 31, 2024 has been recognized in the consolidated statement of comprehensive loss. The host liability component at inception, before deducting transaction costs, was recognized to be the residual amount of $10.9 million (US$8.1 million) which was subsequently measured at amortized cost. Transaction costs incurred on the issuance of the convertible note amounted to $1,004,030, of which $362,502 was allocated to, and deducted from, the host liability component, and $641,528 was allocated to the embedded derivative component and charged to profit and loss.

Amendments and conversion of convertible notes

On October 4, 2024, the Corporation entered into an agreement with the holders of its US $22.4M convertible notes, due in 2027, to convert the notes into new common shares.

The Corporation has amended the convertible notes to permit the payment of the outstanding interest and commitment fees in common shares of the Corporation at a conversion price equal to the closing price of the common shares on the TSX-V on the trading day immediately prior to such conversion. These amendments were approved by the TSX-V on October 10, 2024.

12. CONVERTIBLE NOTES AND LOAN PAYABLE (CONT'D)

The holders of the convertible notes have elected to convert all of the outstanding principal of the convertible notes into 33,629,068 Common Shares (the "Principal Conversion Shares") at a conversion price of CAD 0.90 (£0.525) per Principal Conversion Share and all of the outstanding interest of the convertible notes in 1,293,356 Common Shares (the "Interest Conversion Shares") at a conversion price of CAD $1.30 (£0.73) per Interest Conversion Share. The Corporation and the holders of the convertible notes also agreed to make 70% of the total amount of the outstanding commitment fee immediately payable. The holders of the convertible notes have elected to convert such commitment fee payable into 3,307,502 Common Shares (the "Commitment Fee Conversion Shares") in aggregate, at a conversion price of CAD $1.30 (£0.73) per Commitment Fee Conversion Share. The remaining commitment fee was recognised as a new loan and reclassified to loans payable (note 12).

Following the consent of the TSX-V, and their approval of the amendments to the convertible notes, the 33,629,068 Principal Conversion Shares, 1,293,356 Interest Conversion Shares and 3,307,502 Commitment Fee Conversion Shares were admitted to trading on AIM, and TSX-V and Nasdaq Iceland's main market.

12.2 Revolving Credit Facility

A $25 million (US$18.5 million) Revolving Credit Facility ("RCF") was entered into with Landsbankinn hf. and Fossar Investment Bank on September 1, 2023, with a two-year term expiring on September 1, 2025 and priced at the Secured Overnight Financing Rate ("SOFR") plus 950bps. Interest is capitalized and payable at the end of the term.

The RCF is denominated in US Dollars and the SOFR interest rate is determined with reference to the CME Term SOFR Rates published by CME Group Inc. The RCF carries (i) a commitment fee of 0.40% per annum calculated on the undrawn facility amount and (ii) an arrangement fee of 2.00% on the facility amount where 1.5% has been paid on the closing date of the facility and 0.50% was paid at the first draw down. The facility is not convertible into any securities of the Corporation.

The facility is secured by (i) a bank account pledge from the Corporation and Nalunaq A/S, (ii) share pledges over all current and future acquired shares in Nalunaq A/S and Gardaq A/S held by the Corporation pursuant to the terms of share pledge agreements, (iii) a proceeds loan assignment agreement, (iv) a pledge agreement in respect of owner's mortgage deeds and (v) a licence transfer agreement. During September 2024, the Corporation has drawn on this facility and the loan payable amount as of December 31, 2024, is $28,621,732.

12.3 Cost Overrun Facility

$13.5 million (US$10 million) Revolving Cost Overrun Facility was entered into with JLE Property Ltd. on September 1, 2023, on the same terms as the Bank Revolving Credit Facility.

The Overrun Facility is denominated in US Dollars with a two-year term, expiring on September 1, 2025, and will bear interest at the CME Term SOFR Rates by CME Group Inc. and have a margin of 9.5% per annum. The Overrun Facility carries a stand-by fee of 2.5% on the amount of committed funds. The Overrun Facility is not convertible into any securities of the Corporation.

The Overrun Facility will be secured by (i) bank account pledge agreements from the Corporation and Nalunaq A/S, (ii) share pledges over all current and future acquired shares in Nalunaq A/S and Gardaq A/S held by the Corporation pursuant to the terms of share pledge agreements, (iii) a proceeds loan assignment agreement, (iv) a pledge agreement in respect of owner's mortgage deeds and (v) a licence transfer agreement. The Corporation has not yet drawn on this facility.

(In Canadian Dollars, except as otherwise noted)

12. CONVERTIBLE NOTES AND LOANS PAYABLE (CONT'D)

12.4 US$35 million Revolving Credit Facility Heads of Terms

On December 30, 2024, the Corporation closed a US$35 million debt financing package with Landsbankinn hf. in three Revolving Credit Facilities, securing a substantial increase and extension to its existing debt facilities.

- The financing package, upon its utilization, will replace the existing credit and cost overrun facilities.
- The US$35 million debt financing package with Landsbankinn consists of:
  - US$18.5 million Facility A with a margin of 9.5% per annum, reduced to 7.5% once Facility C has become available.
  - US$10 million Facility B with a margin of 9.5% per annum, reduced to 7.5% once Facility C has become available
  - US $6.5 million Facility C with a margin of 7.5%, which becomes available once all other facilities have been fully drawn and the Company's cumulative EBITDA over the preceding three-month period exceeds CAD 6 million
  - Facility A will be utilized to refinance the Company's existing revolving credit facilities entered into on 1 September 2023 (note 12.2)
  - Facilities B and C will be applied towards working capital and general corporate purposes. These facilities involve covenants relating to EBITDA and the Company's equity ratio.
  - The new facilities will have a 1.5% arrangement fee, a 0.4% commitment fee on unutilised amounts, and a termination date of December 1, 2026.
  - The facilities are secured by a combination of a property and operational equipment mortgage, share pledge over subsidiaries, certain bank account pledges and a license transfer agreement.
- The use of this debt financing package is conditional upon the Corporation fulfilling certain conditions including providing security that is appropriate to the lender, discharging its existing debt under the Revolving Credit Facility (note 12.2) and cancelling its Cost Overrun Facility (note 12.3) As of December 31, 2024 the Corporation's undrawn US$10.0 million debt facilities dated September 1, 2023, has not been cancelled and so this debt financing package is not yet available for use by the Corporation.

13. LEASE LIABILITIES

	As at December 31, 2024	As at December 31, 2023
	$	$
Balance beginning	657,440	729,237
Lease additions	155,214	-
Lease payment	(138,356)	(105,894)
Interest	36,415	34,097
Balance ending	710,713	657,440
Non-current portion – lease liabilities	(591,805)	(577,234)
Current portion – lease liabilities	**118,908**	**80,206**

The Corporation has two leases for its offices. In October 2020, the Corporation started a 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. In March 2024, the Corporation started a new lease for a two-year term with the option to extend for two more years. The monthly rent is $5,825 until March 2025 after which the monthly rent may increase as per the lease terms.

(In Canadian Dollars, except as otherwise noted)

13. LEASE LIABILITIES (CONT'D)

Maturity analysis:	
	$
2025	150,850
2026	153,371
2027	156,043
2028	116,778
2029	108,836
Onwards	126,975
Undiscounted lease payments	812,853
Less: unearned interest	(102,140)
	710,713

13.1 Right of use asset

	As at December 31, 2024	As at December 31, 2023
	$	$
Opening net book value	574,856	655,063
Additions	161,039	-
Amortisation	(114,069)	(80,207)
Closing net book value	**621,826**	**574,856**
Cost	**997,239**	**836,200**
Accumulated amortisation	**(375,413)**	**(261,344)**
Closing net book value	**621,826**	**574,856**

For the first lease, a right-of-use asset of $841,080 and an equivalent long term lease liability was recorded as of October 1, 2020, with a 5% incremental borrowing rate and considering that the renewal option would be exercised. For the second lease, a right-of-use asset of $161,039 and an equivalent long term lease liability was recorded as of March 1, 2024, with a 5% incremental borrowing rate and considering that the renewal option would be exercised. Amortisation of right-of-use assets is being recorded in general and administrative expenses in the consolidated statement of comprehensive loss, under depreciation. Amortisation of $114,069 ($80,207 in 2023) was expensed as general and administration expenses in 2024.

14. ASSET RETIREMENT OBLIGATION

	As at December 31, 2024
	$
Balance beginning	-
Additions	6,833,213
Accretion	420,639
Balance as at December 31, 2024	**7,253,852**

The asset retirement obligation represents the present value of the costs associated with the Corporation's mine decommissioning, cleanup, removal, de-contamination and closure plan ("the closure plan"). The closure plan has been developed in accordance with the guidelines of Section 43(2) of the Mineral Resources Act of Greenland. This obligation will be settled towards the end of the mine's life, which is estimated to be during the year 2032. The Corporation has set up an escrow account with the Government of Greenland as beneficiary as security for fulfilling the closure obligations (note 7).

The Corporation has determined that the obligation's costs will be incurred mainly in Danish Krone (DKK) and has utilized DKK foreign exchange rates and risk-free rates on government bonds to measure the obligation. Accretion of discount for the year ended December 31,2024 of $420,639 includes both the foreign exchange impact and accretion of the obligation as they both affect estimated future cash flows.

15. SHARE CAPITAL

15.1 Share Capital

The Corporation is authorized to issue an unlimited number of common voting shares and an unlimited number of preferred shares issuable in series, all without par value.

15.2 Fundraising February 23, 2024

On February 23, 2024, the Corporation successfully completed its oversubscribed fundraising which resulted in a total of 62,724,758 new common shares being placed with new and existing institutional investors at a placing price of 74 pence (CAD $1.25 at the closing exchange rate on February 9, 2024). The placing price represents a 5.7% premium to the closing share price on February 9, 2024 on the AIM exchange.

As a result of the subscription, net proceeds of approximately GBP 44 million (CAD $75.6 million) have been raised. The shares subscribed to were credited as fully paid and rank pari passu in all respects with the existing common shares of the Corporation.

15. SHARE CAPITAL (CONT'D)

15.3 Fundraising December 17, 2024

On December 17, 2024, the Corporation closed its fundraising pursuant to which it raised gross proceeds of approximately GBP 27.5 million (CAD $49.0 million, ISK 4.8 billion) through a placing of 9,150,927 common shares of the Corporation pursuant to the UK Placing, 20,100,648 common shares of the Corporation pursuant to the Icelandic Placing, and 2,783,089 common shares of the Corporation pursuant to the Canadian Subscription, which have been issued at a price of 86 pence (CAD $1.53, ISK 151 at the closing exchange rate on December 2, 2024) per new common share and will be admitted to trading on AIM, Nasdaq Iceland's main market, and the TSX-V. A total of 32,034,664 new common shares have been placed as part of the Fundraising.

Certain officers and directors of the Corporation purchased an aggregate of 1,864,610 common shares for gross proceeds of approximately GBP 1.6 million (CAD $2.85 million, ISK 282.2 million). The officers and directors of the Corporation subscribed to the Fundraising under the same terms and conditions as set forth for all subscribers.

16. STOCK-BASED COMPENSATION

16.1 Stock options

An incentive stock option plan (the "Plan") was approved initially in 2017 and renewed by shareholders on June 14, 2024. 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 that 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.

On May 14, 2024, and June 3, 2024, the Corporation granted its employees 22,988 stock options with an exercise price ranging from $1.30 to $1.31 per share. The stock options 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 costs amounted to $18,163 for an estimated fair value of $0.72 per share.

On July 24, 2023, the Corporation granted an on-hire incentive stock option award to a new senior employee of Amaroq. The option award gives the employee the right to acquire up to 19,480 common shares under the Corporation's stock option Plan. The option has an exercise price of $0.77 per share which vested on October 24, 2023. The option will expire if it remains unexercised five years from the date of the award.

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. The stock options 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 costs amount to $36,894 for an estimated fair value of $0.60 per option.

(In Canadian Dollars, except as otherwise noted)

16. STOCK-BASED COMPENSATION (CONT'D)

The fair value of each option granted was estimated at the time of grant using the Black-Scholes option pricing model. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on the following assumptions at the measurement date:

	December 31, 2024	December 31, 2023
Risk free rate	3.49% - 3.66%	3.1% - 3.7%
Expected life (years)	5 years	5 years
Volatility	61.4% - 61.8%	61.6% - 68.0%
Share price at date of grant	$1.30 - $1.31	$0.77 - $1.09
Fair value per option	$0.72	$0.46 - $0.60

The total share-based payment expenses related to the options and the amount credited to contributed surplus were $18,694 ($52,303 for the year ended December 31, 2023).

On January 5, 2024, a former director of the Corporation exercised his options. As a result, 150,000 options were exercised which resulted in the former director receiving 60,637 shares net of applicable withholdings. On May 23, 2024, the former Chief Financial Officer ("CFO") of the Corporation exercised his options. As a result, 1,800,000 options were exercised which resulted in the former CFO receiving 963,281 shares net of applicable withholdings. On October 9, 2024, an employee of the Corporation exercised his options. As a result, 31,278 options were exercised which resulted in the employee receiving 11,090 shares net of applicable withholdings. On December 13, 2024, an employee of the Corporation exercised his options. As a result, 10,000 options were exercised which resulted in the employee receiving 7,923 shares net of applicable withholdings.

Changes in stock options are as follows:

	December 31, 2024		December 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Balance, beginning	9,188,365	0.59	10,717,395	0.57
Granted	22,988	1.30	80,970	1.01
Exercised	(1,991,278)	0.61	(1,610,000)	0.46
Balance, end	**7,220,075**	**0.59**	**9,188,365**	**0.59**
Balance, end exercisable	7,220,075	0.59	9,188,365	0.59

From the options exercised during the year ended December 31, 2024, 948,347 shares (1,012,971 for the year ended December 31, 2023) were withheld to cover the stock option grant price and related taxes.

(In Canadian Dollars, except as otherwise noted)

16. STOCK-BASED COMPENSATION (CONT'D)

Stock options outstanding and exercisable as at December 31, 2024 are as follows:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		$	
1,660,000	1,660,000	0.38	December 31, 2025
100,000	100,000	0.50	September 13, 2026
1,245,000	1,245,000	0.70	December 31, 2026
2,700,000	2,700,000	0.60	January 17, 2027
73,333	73,333	0.75	April 20, 2027
39,062	39,062	0.64	July 14, 2027
1,330,000	1,330,000	0.70	December 30, 2027
49,692	49,692	1.09	December 20, 2028
11,538	11,538	1.30	May 14, 2029
11,450	11,450	1.31	June 3, 2029
7,220,075	**7,220,075**		

16.2 Restricted Share Unit

16.2.1 Description

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

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

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

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

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

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

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

16. STOCK-BASED COMPENSATION (CONT'D)

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

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

On August 14, 2024, the Corporation granted a new conditional award under a separate RSU plan to the Corporation's newly appointed Chief Financial Officer. This award entitles the participant to receive a 12% share of a pool defined by the total shareholder value created above a 10% per annum compound hurdle rate. Performance is measured from August 6, 2024, to the measurement date on December 31, 2025 (note 16.2.4).

On December 19, 2024, the Corporation granted new RSUs to its employees. The awards will vest on December 19, 2025, the one-year anniversary of the grant, with all other terms governed by the RSU Plan.

16.2.2 RSU Plan Amendment

The RSU Plan was amended by the Annual General Shareholders' meeting on June 14, 2024. The approved amendments to the RSU Plan indicated that Investor Relations Service Providers (as defined in the RSU Plan) cannot be granted any RSUs. In addition, as the RSU Plan is a "rolling" plan, under Policy 4.4 of the TSXV, a listed company on the TSXV is required to obtain the approval of its Shareholders for a "rolling" plan at each annual meeting of Shareholders.

(In Canadian Dollars, except as otherwise noted)

16. STOCK-BASED COMPENSATION (CONT'D)

16.2.3 Conditional Award under RSU Plan 2023

On October 13, 2023, Amaroq made an award (the "Award") under the RSU Plan as detailed below. The Award consists of a conditional right to receive value if the future performance targets, applicable to the Award, are met. Any value to which the participants are eligible in respect of the Award will be granted as Restricted Share Units (each an "RSU"), with each RSU entitling a participant to receive common shares in the Corporation. Each RSU will be granted under, and governed in accordance with, the rules of the Corporation's Restricted Share Unit Plan.

Award Date	October 13, 2023
Initial Price	CAD 0.552
Hurdle Rate	10% p.a. above the Initial Price
Total Pool	10% of the growth in value above the Hurdle rate, not exceeding 10% of the Corporation's share capital. The number of shares will be determined at the Measurement Dates.
Participant proportion	Edward Wyvill, Corporate Development, 10%
Performance Period	January 1, 2022 to December 31, 2025 (inclusive)
Normal Measurement Dates	First Measurement Date: December 31, 2023, 50% vesting on the first anniversary of grant, with the remaining 50% vesting on the third anniversary of grant. Second Measurement Date: December 31, 2024, 50% vesting on the first anniversary of grant, with the remaining 50% vesting on the second anniversary of grant. Third Measurement Date: December 31, 2025, vesting on the first anniversary of grant.

16.2.4 Conditional Award under RSU Plan 2024

On August 14, 2024, Amaroq made an award (the "Award") under the RSU Plan as detailed below. The Award consists of a conditional right to receive value if the future performance targets, applicable to the Award, are met. Any value to which the participants are eligible in respect of the Award will be granted as Restricted Share Units (each an "RSU"), with each RSU entitling a participant to receive common shares in the Corporation. Each RSU will be granted under, and governed in accordance with, the rules of the Corporation's Restricted Share Unit Plan.

Award Date	August 14, 2024
Initial Price	CAD 1.04
Hurdle Rate	10% p.a. above the Initial Price
Total Pool	10% of the growth in value above the Hurdle rate, not exceeding 10% of the Corporation's share capital. The number of shares will be determined at the Measurement Date.
Participant proportion	Ellert Arnarson, Chief Financial Officer, 12%
Performance Period	August 6, 2024, to December 31, 2025 (inclusive)
Measurement Date	December 31, 2025, vesting on the first anniversary of grant.
RSU Grant Date	First quarter of 2026
RSU Vesting Date	100% of the shares will vest on the first anniversary of grant (first quarter of 2027)

(In Canadian Dollars, except as otherwise noted)

16. STOCK-BASED COMPENSATION (CONT'D)

16.2.4 Valuation

The fair value of the award granted in December 2022 and modified June 2023, in addition to the award granted October 13, 2023, increased to $7,378,000 based on 90% of the available pool being awarded.

During June 2024, some of the awards were forfeited due to the departure of Jaco Crouse, CFO of the Corporation, effective June 3, 2024 (see note 16.2.5). As a result of the departure, previously recognised RSU award vesting charges of $566,875 were reversed and the percentage of the pool that was allocated was reduced to 70%.

During August 2024, new awards granted to the CFO increased the percentage of the pool that was allocated to 82%.

A charge of $2,028,692 was recorded during the year ended December 31, 2024, including the reduction of $566,875 of previously recognized RSU vesting charges which were reversed during the period as a result of the forfeiture of the RSU awards (a charge of $1,856,000 was recorded during the year ended December 31, 2023).

The fair value was obtained through the use of a Monte Carlo simulation model which calculates a fair value based on a large number of randomly generated projections of the Corporation's share price.

Assumption	Value
Grant date	December 30, 2022
Amendment date	June 15, 2023
Additional award date	October 13, 2023
Forfeiture of 20% of the awards date	June 3, 2024
Additional award date	August 14, 2024
Expected life (years)	1.38 – 3.00
Share price at grant date	$0.70 - $1.02
Exercise price	N/A
Dividend yield	0%
Risk-free rate	3.44% - 4.71%
Volatility	49.5% - 72%
Total fair value of awards (82% of pool)	**$6,161,238**

Expected volatility was determined from the daily share price volatility over a historical period prior to the date of grant with length commensurate with the expected life. A zero-dividend yield has been used based on the dividend yield as at the date of grant.

(In Canadian Dollars, except as otherwise noted)

16. STOCK-BASED COMPENSATION (CONT'D)

16.2.5 Awards under Restricted Share Unit Plan (the "RSU")

Based on the results of the performance period ending on the First Measurement Date pertaining to the 2022 and 2023 conditional RSU awards granted, and in alignment with the RSU Plan dated 15 June 2023 (note 16.2), the Corporation granted an award (the "Award") on February 23, 2024 to directors and employees of the Corporation as listed below.

Award Date	February 23, 2024		
Initial Price	CAD 0.552		
Hurdle Rate	10% p.a. above the Initial Price		
Total Pool	10% of the growth in value above the Hurdle rate, not exceeding 10% of the Corporation's share capital The number of shares is determined at the Measurement Dates		
Participant proportions and Number of shares subject to RSU	Eldur Olafsson, CEO	40%	3,805,377 shares
	Jaco Crouse[1], CFO	20%	1,902,688 shares
	Joan Plant, Executive VP	10%	951,344 shares
	James Gilbertson, VP Exploration	10%	951,344 shares
	Edward Wyvill, Corporate Development	10%	951,344 shares
First Measurement Date:	31 December 2023 50% of the Shares will vest on the first anniversary of grant, with the remaining 50% vesting on the third anniversary of grant.		

[1]The shares awarded under the RSU to Jaco Crouse, CFO, have been forfeited as a result of his departure effective June 3, 2024.

On February 12, 2025 the Corporation granted additional awards to directors and employees of the Corporation (note 26).

17. CAPITAL MANAGEMENT

The capital of the Corporation consists of the items included in equity and balances thereof and changes therein are depicted in the consolidated statement of changes in equity.

The Corporation' objectives are to safeguard the Corporation' ability to continue as a going concern in order to pursue its acquisition, exploration and evaluation activities and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As the Corporation does not have cash flow from operations, to maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. In order to maximize ongoing development efforts and to continue operations, the Corporation does not pay out dividends. The Corporation is not subject to externally imposed restrictions on capital.

(In Canadian Dollars, except as otherwise noted)

18. EMPLOYEE REMUNERATION

Salaries

	2024	2023
	$	$
Salaries	6,885,184	4,635,391
Director's fees	636,000	631,667
Benefits	413,824	380,839
	7,935,008	5,647,897
Less: salaries and benefits presented in E&E expenses	(700,122)	(704,620)
Salaries and directors' fees disclosed in general and administrative expenses	**7,234,886**	**4,943,277**

19. EXPLORATION AND EVALUATION EXPENSES (RECOVERY)

2024	Nalunaq	Vagar	Nuna Nutaaq	Tartoq	Siku	Anoritooq	Total
	$	$	$	$	$	$	$
Geology	685,994	-	-	-	-	-	685,994
Lodging and on-site support	286,019	-	-	-	-	-	286,019
Drilling	60,000	-	114,209	-	-	-	174,209
Analysis	141,466	-	43,641	-	-	-	185,107
Transport	(60,296)	(3,922)	143,675	-	-	-	79,457
Supplies and equipment	229,179	-	2,344	-	-	-	231,523
Helicopter Charter	-	-	147,894	-	-	-	147,894
Maintenance infrastructure	363,333	4,131	187	189	189	189	368,218
Government fees	15,976	16,312	-	8,722	-	-	41,010
Exploration and evaluation expenses before depreciation	1,721,671	16,521	451,950	8,911	189	189	2,199,431
Depreciation	682,661	-	-	-	-	-	682,661
Exploration and evaluation expenses	**2,404,332**	**16,521**	**451,950**	**8,911**	**189**	**189**	**2,882,092**

2023	Nalunaq	Vagar	Nuna Nutaaq	Saarloq	Sava	Kobbermi nebugt	Stendalen	North Sava	Total
	$	$	$	$	$	$	$	$	$
Geology	385,796	-	30,056	(1,921)	(59,660)	(16,914)	(20,202)	(34,913)	282,242
Lodging and on-site support	305,808	-	-	(854)	(29,413)	(5,737)	(5,676)	(8,791)	255,337
Drilling	1,354,447	-	-	-	(144,019)	-	-	-	1,210,428
Analysis	32,177	156	-	(87)	(25,060)	(1,035)	(173)	-	5,978
Geophysics survey	-	-	-	-	-	-	-	(416,177)	(416,177)
Transport	800,247	3,922	-	(442)	(37,154)	(2,450)	(2,290)	(3,256)	758,577
Supplies and equipment	1,498,097	-	-	(661)	(18,736)	(7,148)	(7,779)	(13,575)	1,450,198
Helicopter Charter	1,210,601	14,007	-	-	(241,390)	(13,072)	-	-	970,146
Logistic support	-	-	-	(3,316)	(16,275)	(12,479)	(9,796)	(9,643)	(51,509)
Maintenance infrastructure	1,641,203	1,569	-	(1,544)	(83,364)	(23,521)	(26,700)	(48,770)	1,458,873
Project Engineering costs	55,792	-	-	-	-	-	-	-	55,792
Government fees	-	994	-	-	-	-	-	-	994
Exploration and evaluation expenses before depreciation	7,284,168	20,648	30,056	(8,825)	(655,071)	(82,356)	(72,616)	(535,125)	5,980,879
Depreciation	635,773	-	-	-	-	-	-	-	635,773
Exploration and evaluation expenses	**7,919,941**	**20,648**	**30,056**	**(8,825)**	**(655,071)**	**(82,356)**	**(72,616)**	**(535,125)**	**6,616,652**

Exploration and Evaluation expenses for the period of twelve months ended December 31, 2023 are net of $1,353,993 of Exploration and Evaluation expenses incurred by Nalunaq A/S during the period from June 9 2022 to April 13, 2023 for the six non-gold strategic mineral licenses that have been transferred from Nalunaq A/S to Gardaq A/S (Note 23.1).

(In Canadian Dollars, except as otherwise noted)

20. GENERAL AND ADMINISTRATION

	2024	2023
	$	$
Salaries and benefits	6,598,886	4,311,610
Director's fees	636,000	631,667
Professional fees	3,665,043	3,298,134
Marketing and investor relations	724,012	713,161
Insurance	319,988	289,042
Travel and other expenses	2,286,142	1,383,767
Regulatory fees	1,068,200	953,521
General and administration before following elements	15,298,271	11,580,902
Stock-based compensation (note 16.1)	2,047,386	1,908,303
Depreciation	176,073	142,707
General and administration	**17,521,730**	**13,631,912**

21. FINANCE COSTS

	2024	2023
	$	$
Lease interest (note 13)	36,415	34,097
Accretion of discount on asset retirement obligation	420,639	-
Other finance costs	126,885	223
	583,939	**34,320**

22. INCOME TAXES

Tax expense differs from the amount computed by applying the combined Canadian Statutory and Greenlandic income tax rates, applicable to the Corporation, to the loss before income taxes due to the following:

	2024	2023
	$	$
Net loss before income taxes	(23,456,138)	(833,513)
Income tax rates	26.5%	26.5%
Income tax recovery	(6,215,877)	(220,881)
Increase (decrease) attributable to:		
Non deductible expenses	912,065	1,971,160
Difference in statutory tax rate	347,016	(234,138)
Changes in unrecognized deferred tax assets	4,956,796	(1,516,141)
Tax recovery	**-**	**-**

The analysis of the Corporation's deferred tax assets and liabilities as at December 31, 2024 and 2023 is as follows:

	2024	2023
	$	$
Deferred tax assets (liabilities):		
Capital assets	(858,690)	(718,851)
Non-capital losses	858,690	718,851
	-	**-**

(In Canadian Dollars, except as otherwise noted)

22. INCOME TAXES (CONT'D)

The Corporation records deferred income tax assets to the extent that it is probable that sufficient taxable income will be realized during the carry-forward period to utilize these net future tax assets.

The significant components of deductible temporary differences and unused tax losses for which the benefits have not been recorded on the consolidated statement of financial position as at December 31, 2024 are as follows:

Greenland	**As at December 31, 2024**
	$
Non-capital losses carry forwards	82,516,864

As the Corporation is a mineral licence holder, the non-capital losses in Greenland have no expiration date.

Canada	**As at December 31, 2024**
	$
Non-capital losses carry forwards expiring in 2038	965,032
Non-capital losses carry forwards expiring in 2039	1,272,338
Non-capital losses carry forwards expiring in 2040	1,210,348
Non-capital losses carry forwards expiring in 2041	5,622,490
Non-capital losses carry forwards expiring in 2042	8,261,231
Non-capital losses carry forwards expiring in 2043	7,680,772
Non-capital losses carry forwards expiring in 2044	10,256,297
Non-capital losses carry forwards expiring in 2045	194,346

23. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

23.1 Gardaq Joint Venture

	2024	**2023**
	$	$
Gardaq management fees and allocated cost	2,453,361	1,714,559
Other allocated costs	460,568	1,825,881
Foreign exchange revaluation	263,312	(18,502)
	3,177,241	**3,521,938**

As at December 31, 2024, the balance receivable from Gardaq amounted to $6,699,179 ($3,521,938 as at December 31, 2023). This receivable balance represents allocated overhead and general administration costs to manage the exploration work programmes and day-to-day activities of the joint venture. This balance will be converted to shares in Gardaq within 10 business days after the third anniversary of the completion of the Subscription and Shareholder Agreement dated April 13, 2023 (See note 8.1).

(In Canadian Dollars, except as otherwise noted)

23. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (CONT'D)

23.2 Key Management Compensation

The Corporation's key management are the members of the board of directors, the President and Chief Executive Officer, the Chief Financial Officer, the Vice President Exploration, and the Executive Vice President. Key management compensation is as follows:

	2024	2023
	$	$
Short-term benefits		
Salaries and benefits	3,027,102	3,209,409
Director's fees	636,000	631,667
Long-term benefits		
Stock-based compensation	2,143	-
Stock-based compensation - RSU	1,333,500	1,716,000
Total compensation	**4,998,745**	**5,557,076**

Key management are subject to employment agreements which provide for payments on termination, without cause or following a change of control, providing for payments up to one base salary.

The compensation of directors is as follows:

	2024			2023		
	Short-term benefits [(a)]	Stock-based compensation	Total compensation	Short-term benefits [(a)]	Stock-based compensation	Total compensation
	$	$	$	$	$	$
Eldur Olafsson	1,427,372	-	1,427,372	1,553,155	-	1,553,155
Jaco Crouse	206,612	-	206,612	841,207	-	841,207
Graham Stewart	181,000	-	181,000	181,000	-	181,000
Sigurbjorn Thorkelsson	86,000	-	86,000	86,000	-	86,000
Liane Kelly	94,000	-	94,000	89,667	-	89,667
Line Frederiksen	86,000	-	86,000	86,000	-	86,000
David Neuhauser	86,000	-	86,000	86,000	-	86,000
Warwick Morley-Jepson	103,000	-	103,000	103,000	-	103,000
Total compensation	**2,269,984**	**-**	**2,269,984**	**3,026,029**	**-**	**3,026,029**

(a) Short-term benefits comprise salary, director fees as applicable, annual bonus and pension

During 2024 and 2023 certain directors acquired additional shares (net of shares withheld) by exercising their options. During 2024, the directors participated in the February 23, 2024 and December 4, 2024 fundraising for $6,250,000. The director participation is as follows:

	2024	2023
	Number of new shares	Number of new shares
Eldur Olafsson	582,690	228,571
Graham Stewart	-	57,534
Sigurbjorn Thorkelsson	3,865,382	-
David Neuhauser	116,538	-
Total	**4,564,610**	**286,105**

(In Canadian Dollars, except as otherwise noted)

24. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2024, was based on the loss attributable to shareholders of $23,456,138 ($833,513 for the year ended December 31, 2023) and the weighted average number of common shares outstanding for the year ended December 31, 2024 of 329,948,183 (272,623,548 for the year ended December 31, 2023). As a result of the loss for the years ended December 31, 2024, and 2023, all potentially dilutive common shares are deemed to be antidilutive and thus diluted loss per share is equal to the basic loss per share for these periods.

The calculation of loss per share is shown in the table below.

	2024	2023
	$	$
Net loss and comprehensive loss	**(23,456,138)**	**(833,513)**
Weighted average number of common shares outstanding - basic	329,948,183	272,623,548
Weighted average number of common shares outstanding – diluted	329,948,183	272,623,548
Basic loss per share	(0.071)	(0.003)
Diluted loss per common share	(0.071)	(0.003)

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a summary of the Corporation's exposure to and concentrations of risk at December 31, 2024:

25.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Corporation’s main credit risk relates to its prepaid amounts to suppliers for placing orders, manufacturing and delivery of process plant equipment, as well as an advance payment to a mining contractor. The Corporation performed expected credit loss assessment and assessed the amounts to be fully recoverable.

25.2 Fair Value

Financial assets and liabilities recognized or disclosed at fair value are classified in the fair value hierarchy based upon the nature of the inputs used in the determination of fair value. The levels of the fair value hierarchy are:

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

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

The following table summarizes the carrying value of the Corporation's financial instruments:

	December 31, 2024	December 31, 2023
	$	$
Cash	45,193,670	21,014,633
Deposit	181,871	27,944
Interest receivable	114,064	-
Financial Asset – Related Party	6,699,179	3,521,938
Accounts payable and accrued liabilities	(18,233,113)	(6,560,854)
Convertible notes	-	(35,743,127)
Loans payable	(28,621,732)	-
Lease liabilities	(710,713)	(657,440)

Due to the short-term maturities of cash, financial asset – related party, and accounts payable and accrued liabilities, the carrying amounts of these financial instruments approximate fair value at the respective balance sheet date.

The carrying value of the loans payable approximate its fair value as the loans were entered into towards the end of the financial year.

The carrying value of lease liabilities approximate its fair value based upon a discounted cash flows method using a discount rate that reflects the Corporation's borrowing rate at the end of the period.

25.3 Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation seeks to ensure that it has sufficient capital to meet short-term financial obligations after taking into account its exploration and operating obligations and cash on hand. On December 30, 2024, the Corporation closed a new USD$35 million revolving credit facility with Landsbankinn that will eventually refinance its existing loans payable, fund general and administrative costs, exploration and evaluation costs and Nalunaq project development costs (note 12.4). The Corporation's options to enhance liquidity include the issuance of new equity instruments or debt.

The following table summarizes the carrying amounts and contractual maturities of financial liabilities:

	As at December 31, 2024			As at December 31, 2023		
	Accounts payable and accrued liabilities	Loan payable	Lease liabilities	Trade and other payables	Convertible Notes	Lease liabilities
	$	$	$	$	$	$
Within 1 year	18,233,113	28,621,732	150,850	6,560,854	-	108,345
1 to 5 years	-	-	535,028	-	35,743,127	544,178
5 to 10 years	-	-	126,975	-	-	126,975
Total	**18,233,113**	**28,621,732**	**812,853**	**6,560,854**	**35,743,127**	**779,498**

The Corporation has assessed that it is not exposed to significant liquidity risk due to its cash balance in the amount of $45,193,670 and the availability of undrawn credit facilities at the end of the period.

25.4 Currency risk

As at December 31, 2024 and 2023, a portion of the Corporation's transactions are denominated in DKK, Euros, US$, ISK and British Pounds (GBP) to the extent such currencies are different from the relevant group entities' functional currency.

(In Canadian Dollars, except as otherwise noted)

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

The Corporation had the following balances in currencies:

As at December 31, 2024	In DKK	In Euros	In ISK	In US$	In GBP
Cash	1,500,506	2,308,132	1,632,691,509	3,847,696	7,677,255
Escrow account for closure obligations	33,971,059	-	-	-	-
Prepaid expenses and others	2,309,594	1,454,263	-	2,934,987	29,235
Trade and other payables	(15,593,843)	(4,971,848)	(48,344,215)	(298,509)	(166,732)
Loans payable	-	-	-	(19,896,168)	-
	22,187,316	(1,209,453)	1,584,347,294	(13,411,994)	7,539,758
Exchange rate	0.2009	1.4986	0.0104	1.4386	1.8079
Equivalent to CAD	**4,458,131**	**(1,812,457)**	**16,505,578**	**(19,293,891)**	**13,630,856**

Based on the above net exposures as at December 31, 2024, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the Canadian dollar against the DKK, Euro, ISK, US$ and GBP by 10% would decrease/increase profit or loss by $1,271,588.

As at December 31, 2023	In DKK	In Euros	In US$	In GBP
Cash	3,307,004	511,458	9,913,039	3,106,964
Escrow account for closure obligations	3,054,191	-	-	-
Prepaid expenses and others	7,868,890	7,637,896	680,855	3,092
Trade and other payables	(8,242,210)	(107,103)	(282,634)	(20,476)
Convertible notes loan (note 12)	-	-	(8,879,786)	-
	5,987,875	8,042,251	1,431,474	3,089,580
Exchange rate	0.1961	1.4620	1.3247	1.6863
Equivalent to CAD	**1,174,222**	**11,757,771**	**1,896,274**	**5,209,959**

Based on the above net exposures as at December 31, 2023, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the Canadian dollar against the DKK, Euro, US$ and GBP by 10% would decrease/increase profit or loss by $2,003,823.

(In Canadian Dollars, except as otherwise noted)

26. SUBSEQUENT EVENTS

Based on the results of the performance period ending on the Second Measurement Date, pertaining to the 2022 and 2023 conditional RSU awards granted, and in alignment with the RSU Plan dated 14 June 2024 (note 16.2), the Corporation granted an award (the "Award") on February 12, 2025, to directors and employees of the Corporation as listed below.

Award Date	February 12, 2025		
Initial Price	CAD 0.552		
Hurdle Rate	10% p.a. above the Initial Price		
Total Pool	10% of the growth in value above the Hurdle rate, not exceeding 10% of the Corporation's share capital The number of shares is determined at the Measurement Dates		
Participant proportions and Number of shares subject to RSU	Eldur Olafsson, CEO	40%	2,048,268 shares
	Joan Plant, Executive VP	10%	512,067 shares
	James Gilbertson, VP Exploration	10%	512,067 shares
	Edward Wyvill, Corporate Development	10%	512,067 shares
First Measurement Date:	31 December 2024 50% of the Shares will vest on the first anniversary of grant, with the remaining 50% vesting on the third anniversary of grant.		