



Amaroq Minerals Ltd.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2025

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

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

	Notes	As at March 31, 2025 \$	As at December 31, 2024 \$
ASSETS			
Current assets			
Cash		16,698,642	45,193,670
Sales tax receivable		113,163	163,611
Prepaid expenses and others	3	8,962,526	10,223,447
Interest receivable		15,938	114,064
Inventory	4	13,540,729	10,182,744
Total current assets		39,330,998	65,877,536
Non-current assets			
Deposit		178,088	181,871
Escrow account for closure obligations	5	7,071,246	6,799,104
Financial Asset - Related Party	6,17	7,342,875	6,699,179
Investment in equity accounted joint arrangement	6	14,531,970	14,902,313
Mineral properties	7	48,683	48,683
Right of use asset	11.1	117,470	621,826
Capital assets	8	183,453,223	160,846,474
Total non-current assets		212,743,555	190,099,450
TOTAL ASSETS		252,074,553	255,976,986
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	9	17,001,214	18,233,113
Loans payable	10	29,801,922	28,621,732
Lease liabilities – current portion	11	91,642	118,908
Total current liabilities		46,894,778	46,973,753
Non-current liabilities			
Lease liabilities	11	84,887	591,805
Asset retirement obligation	12	7,556,664	7,253,852
Total non-current liabilities		7,641,551	7,845,657
Total liabilities		54,536,329	54,819,410
Equity			
Capital stock		291,213,156	291,169,401
Contributed surplus		8,744,805	8,009,215
Accumulated other comprehensive loss		(36,772)	(36,772)
Deficit		(102,382,965)	(97,984,268)
Total equity		197,538,224	201,157,576
TOTAL LIABILITIES AND EQUITY		252,074,553	255,976,986

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

Amaroq Minerals Ltd.
Consolidated Statements of Comprehensive Loss
(Unaudited, in Canadian Dollars)

	Notes	Three months ended March 31,	
		2025	2024
		\$	\$
Expenses			
Exploration and evaluation expenses	14	(193,420)	(875,213)
General and administrative	15	(4,626,321)	(3,959,226)
Selling expenses		(48,352)	-
Gain on lease modification		30,543	-
Foreign exchange gain (loss)		591,610	(79,509)
Operating loss		(4,245,940)	(4,913,948)
Other income (expenses)			
Interest income		26,306	15,326
Garda Project management fees		643,553	636,326
Share of net loss of joint arrangement	6	(370,343)	(646,432)
Unrealized gain (loss) on derivative liability		-	(4,300,213)
Finance costs	16	(452,273)	(8,574)
Net loss and comprehensive loss		(4,398,697)	(9,217,515)
Weighted average number of common shares outstanding – basic and diluted		397,704,035	290,574,484
Basic and diluted loss per common share	18	(0.011)	(0.03)

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

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

	Notes	Number of common shares outstanding	Capital Stock \$	Contributed surplus \$	Accumulated other comprehensive loss \$	Deficit \$	Total Equity \$
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		-	-	-	-	(9,217,515)	(9,217,515)
Shares issued under a fundraising		62,724,758	75,574,600	-	-	-	75,574,600
Shares issuance costs		-	(1,047,098)	-	-	-	(1,047,098)
Options exercised, net		60,637	53,073	(70,500)	-	-	(17,427)
Stock-based compensation		-	-	712,306	-	-	712,306
Balance at March 31, 2024		326,455,446	206,698,546	7,367,374	(36,772)	(83,745,645)	130,283,503
Balance at January 1, 2025		397,702,330	291,169,401	8,009,215	(36,772)	(97,984,268)	201,157,576
Net loss and comprehensive loss		-	-	-	-	(4,398,697)	(4,398,697)
Options exercised, net	13.1	29,885	43,755	(43,755)	-	-	-
Stock-based compensation	13	-	-	779,345	-	-	779,345
Balance at March 31, 2025		397,732,215	291,213,156	8,744,805	(36,772)	(102,382,965)	197,538,224

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

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

	Notes	Three months ended March 31,	
		2025	2024
		\$	\$
Operating activities			
Net loss for the period		(4,398,697)	(9,217,515)
Adjustments for:			
Depreciation	8	216,022	172,763
Amortisation of ROU asset	11.1	29,705	19,997
Stock-based compensation	13	779,345	712,306
Accretion of discount on asset retirement obligation	12	302,812	-
Unrealized (gain) loss on derivative liability		-	4,300,213
Share of net losses of joint arrangement	6	370,343	646,432
Garda Project management fees		-	(636,326)
Gain on lease modification		(30,543)	-
Foreign exchange		(846,768)	(195,812)
Finance costs		149,461	-
		(3,428,320)	(4,197,942)
Changes in non-cash working capital items:			
Sales tax receivable		50,448	(74,352)
Due from related party	6,17	(643,734)	-
Prepaid expenses and others		1,430,552	(988,735)
Inventory		(3,357,985)	-
Deposit		3,783	-
Accounts payable and accrued liabilities		(1,289,278)	955,992
		(3,806,214)	(107,095)
Cash flow used in operating activities		(7,234,534)	(4,305,037)
Investing activities			
Transfer to escrow account for closure obligations		-	(5,066,194)
Construction in progress and acquisition of capital assets	8	(21,814,454)	(21,476,951)
Prepayment for acquisition of ROU asset		-	(5,825)
Cash flow used in investing activities		(21,814,454)	(26,548,970)
Financing activities			
Proceeds from issuance of shares		-	75,574,600
Shares issuance costs		-	(1,047,098)
Lease payments	11	(37,412)	(18,145)
Cash flow from (used) financing activities		(37,412)	74,509,357
Net change in cash before effects of exchange rate changes on cash during the period		(29,086,400)	43,655,350
Effects of exchange rate changes on cash		591,372	416,868
Net change in cash during the period		(28,495,028)	44,072,218
Cash, beginning of period		45,193,670	21,014,633
Cash, end of period		16,698,642	65,086,851
Supplemental cash flow information			
Borrowing costs capitalised to capital assets	8	1,008,317	1,223,021
ROU assets acquired through lease	11.1	-	155,214

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

Amaroq Minerals Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2025 and 2024

(Unaudited, in Canadian Dollars, except as otherwise noted)

1. NATURE OF OPERATIONS, BASIS OF PRESENTATION AND GOING CONCERN

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 unaudited condensed interim consolidated financial statements for the three months ended March 31, 2025 ("Financial Statements") were reviewed and authorized for issue by the Board of Directors on May 14, 2025.

1.1 Basis of presentation and 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 6).

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) including International Accounting Standard ("IAS") 34, Interim Financial Reporting. The Financial Statements have been prepared on the historical cost basis, except for financial instruments at fair value.

The Financial Statements should be read in conjunction with the audited annual financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in these Financial Statements are consistent with those of the previous financial year ended December 31, 2024.

1.2 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.

2. CRITICAL ACCOUNTING JUDGMENTS AND ASSUMPTIONS

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

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

In preparing the Financial Statements, the significant judgements made by Management in applying the Corporation accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Corporation's audited annual financial statements for the year ended December 31, 2024.

Amaroq Minerals Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2025 and 2024

(Unaudited, in Canadian Dollars, except as otherwise noted)

3. PREPAID EXPENSES AND OTHERS

	As at March 31, 2025	As at December 31, 2024
	\$	\$
Advance payments to suppliers and mining contractors	7,465,536	9,116,763
Other prepayments	1,496,990	1,106,684
Total prepaid expenses and others	8,962,526	10,223,447

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.

4. INVENTORY

	As at March 31, 2025	As at December 31, 2024
	\$	\$
Ore stockpile	4,055,545	2,849,035
Gold-in-circuit	3,537,416	-
Dore bars	248,875	-
Supplies and spare parts	3,959,417	2,028,116
Purchases in transit	1,739,476	5,305,593
Total inventory	13,540,729	10,182,744

Purchases in transit include spare parts, consumables and equipment.

5. 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 12).

	As at March 31, 2025	As at December 31, 2024
	\$	\$
Balance beginning	6,799,104	598,939
Additions	-	6,044,555
Effect of foreign exchange	272,142	155,610
Balance ending	7,071,246	6,799,104
Non-current portion – escrow account for closure obligations	(7,071,246)	(6,799,104)
Current portion – escrow account for closure obligations	-	-

Amaroq Minerals Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2025 and 2024

(Unaudited, in Canadian Dollars, except as otherwise noted)

6. INVESTMENT IN EQUITY ACCOUNTED JOINT ARRANGEMENT

	As at March 31, 2025	As at December 31, 2024
	\$	\$
Balance at beginning of period	14,902,313	23,492,811
Share of joint venture's net losses	(370,343)	(8,590,498)
Balance at end of period	14,531,970	14,902,313
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	(16,853,228)	(16,482,885)
Balance at end of period	14,531,970	14,902,313

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

	As at March 31, 2025	As at December 31, 2024
	\$	\$
Cash and cash equivalent	4,414,559	4,819,296
Prepaid expenses and other	105,737	105,054
Total current assets	4,520,296	4,924,350
Mineral property	117,576	117,576
Total assets	4,637,872	5,041,926
Accounts payable and accrued liabilities	93,606	415,194
Financial liability - related party	7,342,875	6,699,179
Total liabilities	7,436,481	7,114,373
Capital stock	30,246,937	30,246,937
Deficit	(33,045,546)	(32,319,384)
Total equity	(2,798,609)	(2,072,447)
Total liabilities and equity	4,637,872	5,041,926

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
	\$	\$
Exploration and Evaluation expenses	(209,175)	(842,840)
Interest income	427	2,928
Foreign exchange gain	129,029	177,623
Operating loss	(79,719)	(662,289)
Other expenses	(646,443)	(605,225)
Net loss and comprehensive loss	(726,162)	(1,267,514)

Amaroq Minerals Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2025 and 2024

(Unaudited, in Canadian Dollars, except as otherwise noted)

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

6.1 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 9,282,650 as at March 31, 2025).

During the three months ended March 31, 2025, the Corporation classified the financial asset should be classified as a non-current asset since the amount will be settled during April 2026. As a result, an amount of \$7,342,875 is classified as a non-current asset as at March 31, 2025 (\$6,699,179 reclassified as at December 31, 2024).

7. MINERAL PROPERTIES

	As at December 31, 2024	Additions	As at March 31, 2025
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	6,683	-	6,683
Total mineral properties	48,683	-	48,683

	As at December 31, 2023	Transfers	As at March 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

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

8. CAPITAL ASSETS

	Field equipment and infrastructure	Vehicles and rolling stock	Equipment (including software)	Construction in progress	Total
	\$	\$	\$	\$	\$
Three months ended					
March 31, 2025					
Opening net book value	1,339,006	4,545,572	46,571	154,915,325	160,846,474
Additions	-	-	-	22,822,771	22,822,771
Depreciation	(49,594)	(150,830)	(15,598)	-	(216,022)
Closing net book value	1,289,412	4,394,742	30,973	177,738,096	183,453,223

	Field equipment and infrastructure	Vehicles and rolling stock	Equipment (including software)	Construction in progress	Total
	\$	\$	\$	\$	\$
As at March 31, 2025					
Cost	2,351,042	6,197,074	232,231	177,738,096	186,518,443
Accumulated depreciation	(1,061,630)	(1,802,332)	(201,258)	-	(3,065,220)
Closing net book value	1,289,412	4,394,742	30,973	177,738,096	183,453,223

	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

Amaroq Minerals Ltd.
Condensed Notes to the interim Consolidated Financial Statements
Three months ended March 31, 2025 and 2024
(Unaudited, in Canadian Dollars, except as otherwise noted)

8. 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 \$25,612 (\$157,262 for the three months ended March 31, 2024) was expensed as exploration and evaluation expenses during the three months ended March 31, 2025. During the three months ended March 31, 2025, Buildings, Equipment, Infrastructure and Vehicles and rolling stock depreciation of \$174,909 (\$nil for the three months ended March 31, 2024) was capitalized to construction in progress.

As at March 31, 2025, the Corporation had capital commitments, of \$33,181,956 (\$16,232,290 as at December 31, 2024). 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 the first three months of 2025 the Corporation capitalised borrowing costs of \$1,008,317 (\$1,223,021 for the first three months of 2024) to construction in progress, which are included in additions. Borrowing costs included in the cost of construction in progress arose on the Corporation's convertible note and loan payables. Refer to note 10 for details with respect to the interest rates on these loans.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at March 31, 2025	As at December 31, 2024
	\$	\$
Suppliers and mining contractors payable	16,379,058	17,176,818
Employee benefits payable	80,596	707,211
Other liabilities	541,560	349,084
Total accounts payable and accrued liabilities	17,001,214	18,233,113

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.

10. LOANS PAYABLE

	As at March 31, 2025	As at December 31, 2024
	\$	\$
Balance, beginning	28,621,732	-
Gross proceeds from issue	-	25,087,636
Recognition of loan after note conversion	-	1,286,785
Transaction costs	-	(693,272)
Accretion of discount	308,058	318,238
Accrued interest	841,298	1,010,823
Foreign exchange gain	30,834	1,611,522
Balance, ending	29,801,922	28,621,732
Non-current portion	-	-
Current portion	29,801,922	28,621,732

Amaroq Minerals Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2025 and 2024

(Unaudited, in Canadian Dollars, except as otherwise noted)

10. LOANS PAYABLE (CONT'D)

10.1 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 March 31, 2025, is \$29,801,922.

10.2 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.

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Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2025 and 2024

(Unaudited, in Canadian Dollars, except as otherwise noted)

10. LOANS PAYABLE (CONT'D)

10.3 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 Corporation's cumulative EBITDA over the preceding three-month period exceeds CAD 6 million
 - Facility A will be utilized to refinance the Corporation's existing revolving credit facilities entered into on 1 September 2023 (note 10.1)
 - Facilities B and C will be applied towards working capital and general corporate purposes. These facilities involve covenants relating to EBITDA and the Corporation'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 10.1) and cancelling its Cost Overrun Facility (note 10.2) As of March 31, 2025 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.

11. LEASE LIABILITIES

	As at March 31, 2025	As at December 31, 2024
	\$	\$
Balance beginning	710,713	657,440
Lease additions	-	155,214
Lease payment	(37,412)	(138,356)
Interest	8,422	36,415
Lease modification	(505,194)	-
Balance ending	176,529	710,713
Non-current portion – lease liabilities	(84,887)	(591,805)
Current portion – lease liabilities	91,642	118,908

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. During February 2025, management determined that they will not renew the lease when it expires on February 28, 2026. Furthermore, the Corporation agreed to reduce the leased area of the Montreal office lease and as a result monthly rent was reduced to \$5,018 per month for the remainder of the lease term and a lease modification of \$505,194 was recognized during the three-month period ended March 31, 2025. 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.

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11. LEASE LIABILITIES (CONT'D)

11.1 Right of use asset

	As at March 31, 2025	As at December 31, 2024
	\$	\$
Opening net book value	621,826	574,856
Additions	-	161,039
Amortisation	(29,705)	(114,069)
Impact of Lease Modification	(474,651)	-
Closing net book value	117,470	621,826
Cost	161,039	997,239
Accumulated amortisation	(43,569)	(375,413)
Closing net book value	117,470	621,826

Amortisation of right-of-use assets is being recorded in general and administrative expenses in the consolidated statement of comprehensive loss, under depreciation.

12. ASSET RETIREMENT OBLIGATION

	As at March 31, 2025	As at December 31, 2024
	\$	\$
Balance beginning	7,253,852	-
Additions	-	6,833,213
Accretion	302,812	420,639
Total asset retirement obligation	7,556,664	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 5).

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 three months ended March 31, 2025 of \$302,812 (\$nil for the three months ended March 31, 2024) includes both the foreign exchange impact and accretion of the obligation as they both affect estimated future cash flows.

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13. STOCK-BASED COMPENSATION

13.1 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 March 2025, an employee of the Corporation exercised his options. As a result, 104,592 options were exercised which resulted in the employee receiving 29,885 shares net of applicable withholdings.

Changes in stock options are as follows:

	Three months ended March 31, 2025		December 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance, beginning	7,220,075	0.59	9,188,365	0.59
Granted	-	-	22,988	1.30
Exercised	(104,592)	0.67	(1,991,278)	0.61
Balance, end	7,115,483	0.59	7,220,075	0.59
Balance, end exercisable	7,115,483	0.59	7,220,075	0.59

From the options exercised during the three months ended March 31, 2025, 40,829 shares (948,347 for the year ended December 31, 2024) were withheld to cover the stock option grant price and related taxes.

Stock options outstanding and exercisable as at March 31, 2025 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
1,195,000	1,195,000	0.70	December 31, 2026
2,650,000	2,650,000	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
45,100	45,100	1.09	December 20, 2028
11,538	11,538	1.30	May 14, 2029
11,450	11,450	1.31	June 3, 2029
7,115,483	7,115,483		

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13. STOCK-BASED COMPENSATION (CONT'D)

13.2 Restricted Share Unit

13.2.1 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.

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 13.2.4).

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.

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13. STOCK-BASED COMPENSATION (CONT'D)

13.2.2 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.

13.2.3 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.

13.2.4 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.

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13. STOCK-BASED COMPENSATION (CONT'D)

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)

13.2.5 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. 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 \$779,345 was recorded during the three months ended March 31, 2025, (a charge of \$711,500 was recorded during the three months ended March 31, 2024).

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.

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13. STOCK-BASED COMPENSATION (CONT'D)

13.2.6 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 13.2), 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	Eldur Olafsson, CEO	40%	3,805,377 shares
proportions and	Jaco Crouse ¹ , CFO	20%	1,902,688 shares
Number of shares	Joan Plant, Executive VP	10%	951,344 shares
subject to RSU	James Gilbertson, VP Exploration	10%	951,344 shares
	Edward Wyvill, Corporate Development	10%	951,344 shares
First Measurement	31 December 2023		
Date:	50% of the Shares will vest on the first anniversary of grant, with the remaining 50% vesting on the third anniversary of grant.		

¹The shares awarded under the RSU to Jaco Crouse, CFO, have been forfeited as a result of his departure effective June 3, 2024.

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 June 14, 2024 (note 13.2), 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	Eldur Olafsson, CEO	40%	2,048,268 shares
proportions and	Joan Plant, Executive VP	10%	512,067 shares
Number of shares	James Gilbertson, VP Exploration	10%	512,067 shares
subject to RSU	Edward Wyvill, Corporate Development	10%	512,067 shares
First Measurement	31 December 2024		
Date:	50% of the Shares will vest on the first anniversary of grant, with the remaining 50% vesting on the third anniversary of grant.		

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14. EXPLORATION AND EVALUATION EXPENSES

	Three months ended March 31,	
	2025	2024
	\$	\$
Geology	3,273	13,997
Lodging and on-site support	1,673	184,469
Drilling	100,556	-
Analysis	38,348	5,033
Transport	14,137	-
Supplies and equipment	1,668	31,722
Maintenance infrastructure	229	480,754
Government fees	7,924	1,976
Exploration and evaluation expenses before depreciation	167,808	717,951
Depreciation	25,612	157,262
Exploration and evaluation expenses	193,420	875,213

15. GENERAL AND ADMINISTRATION

	Three months ended March 31,	
	2025	2024
	\$	\$
Salaries and benefits	1,137,057	869,415
Director's fees	159,000	159,000
Professional fees	1,243,295	939,809
Marketing and investor relations	197,418	166,037
Insurance	108,905	78,916
Travel and other expenses	501,243	604,512
Regulatory fees	454,853	393,733
General and administration before following elements	3,801,771	3,211,422
Stock-based compensation (note 13)	779,345	712,306
Depreciation	45,205	35,498
General and administration	4,626,321	3,959,226

16. FINANCE COSTS

	Three months ended March 31,	
	2025	2024
	\$	\$
Lease interest	8,422	8,574
Accretion of discount on asset retirement obligation	302,812	-
Other finance costs	141,039	-
	452,273	8,574

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17. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

17.1 Gardaq Joint Venture

	Three months ended March 31,	
	2025	2024
	\$	\$
Gardaq management fees and allocated cost	643,553	636,326
Other allocated costs	(359)	35,898
Foreign exchange revaluation	502	6,217
	643,696	678,441

As at March 31, 2025, the balance receivable from Gardaq amounted to \$7,342,875 (\$6,699,179 as at December 31, 2024). 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 6.1).

17.2 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:

	Three months ended March 31,	
	2025	2024
	\$	\$
Short-term benefits		
Salaries and benefits	451,219	445,723
Director's fees	159,000	159,000
Long-term benefits		
Stock-based compensation	-	806
Stock-based compensation - RSU	302,825	551,500
Total compensation	913,044	1,157,029

18. LOSS PER SHARE

The calculation of loss per share is shown in the table below. As a result of the loss incurred during the periods presented, 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.

	Three months ended March 31,	
	2025	2024
	\$	\$
Net loss and comprehensive loss	(4,398,697)	(9,217,515)
Weighted average number of common shares outstanding - basic	397,704,035	290,574,484
Weighted average number of common shares outstanding – diluted	397,704,035	290,574,484
Basic loss per share	(0.011)	(0.03)
Diluted loss per common share	(0.011)	(0.03)

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19. 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 March 31, 2025:

19.1 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.

19.2 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)

The following table summarizes the carrying value of the Corporation's financial instruments:

	March 31, 2025	December 31, 2024
	\$	\$
Cash	16,698,642	45,193,670
Deposit	178,088	181,871
Interest receivable	15,938	114,064
Financial Asset – Related Party	7,342,875	6,699,179
Accounts payable and accrued liabilities	(17,001,214)	(18,233,113)
Loans payable	(29,801,922)	(28,621,732)
Lease liabilities	(176,529)	(710,713)

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.

19.3 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 10.3). The Corporation's options to enhance liquidity include the issuance of new equity instruments or debt.

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19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

The following table summarizes the carrying amounts and contractual maturities of financial liabilities:

	As at March 31, 2025			As at December 31, 2024		
	Accounts payable and accrued liabilities	Loan payable	Lease liabilities	Accounts payable and accrued liabilities	Loan payable	Lease liabilities
	\$	\$	\$	\$	\$	\$
Within 1 year	17,001,214	29,801,922	97,829	18,233,113	28,621,732	150,850
1 to 5 years	-	-	88,870	-	-	535,028
5 to 10 years	-	-	-	-	-	126,975
Total	17,001,214	29,801,922	186,699	18,233,113	28,621,732	812,853

The Corporation has assessed that it is not exposed to significant liquidity risk due to its cash balance in the amount of \$16,698,642 and the availability of undrawn credit facilities at the end of the period.