



Amaroq

Amaroq Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTERLY HIGHLIGHTS

Three and six months ended June 30, 2025

Amaroq Ltd. Management Discussion & Analysis

For the three months and six months ended June 30, 2025

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Amaroq Ltd. Management Discussion & Analysis

For the three months and six months ended June 30, 2025

This Management's Discussion and Analysis ("MD&A") of Amaroq Ltd. (the "Corporation", the "Company" or "Amaroq") (previously known as Amaroq Minerals Ltd.), and its subsidiary companies and joint arrangements provide a detailed analysis of the Corporation's business and compare its financial results with those of the previous periods. This MD&A is dated as of August 14, 2025 and should be read in conjunction with the Corporation's unaudited condensed interim consolidated financial statements and related notes for the three months and six months ended June 30, 2025 (the "Financial Statements"), as well as with the MD&A and audited consolidated financial statements for the year ended December 31, 2024. The unaudited condensed interim consolidated financial statements for the three months and six months ended June 30, 2025 (the "Period") are prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts in this MD&A are expressed in Canadian dollars, unless otherwise noted.

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

Abbreviation	Period
2023	January 1, 2023 to December 31, 2023
Q1-24	January 1, 2024 to March 31, 2024
Q2-24	April 1, 2024 to June 30, 2024
Q3-24	July 1, 2024 to September 30, 2024
Q4-24	October 1, 2024 to December 31, 2024
2024	January 1, 2024 to December 31, 2024
Q1-25	January 1, 2025 to March 31, 2025
Q2-25	April 1, 2025 to June 30, 2025
Q3-25	July 1, 2025 to September 30, 2025
Q4-25	October 1, 2025 to December 31, 2025
2025	January 1, 2025 to December 31, 2025

1. NATURE OF ACTIVITIES

Amaroq 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'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 have also been quoted 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 to the Nasdaq Main Market Iceland ("Nasdaq") under the AMRQ ticker. The Corporation's shares also trade on the OTCQX® Best Market in the U.S. under the ticker symbol "AMRQF".

Amaroq is a mining and exploration company operating in Greenland, with a focus on exploring and developing licenses in gold and other strategic minerals in the area. The Corporation's cornerstone asset is the Nalunaq gold mine, which is currently being developed through trial mining and commissioning of an on-site processing plant. The Corporation aims for Nalunaq to facilitate its transition to being self-funded and unlock the true mineral potential of its extensive licence holdings, thereby delivering significant value to all stakeholders. The Corporation is actively exploring for potential world class gold deposits within the Nanortalik Gold Belt in Southern Greenland. Additionally, through its joint venture with GCAM (the "Joint Venture" or "JV"), the Corporation is exploring for strategic minerals such as copper, nickel and rare earths in the South Greenland Copper Belt and the Gardar Province Mineral Belt. In addition, the Corporation has established a subsidiary business, Suliaq ApS, focussed on providing support services to the growth industries in Greenland, with an initial focus on leasing equipment and services to the mining industry. In the future, the Corporation might look to leverage its expertise in mineral exploration, development and exploitation outside of Greenland, should the opportunity arise.

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2. OPERATIONAL PERFORMANCE HIGHLIGHTS

Throughout the six-month period ending 30 June 2025, the Corporation continued the Nalunaq underground mine development and process plant commissioning efforts. This period marked the continuation of trial mining, the on-going construction and commissioning of the processing plant, development of essential infrastructure, as well as stabilization of process plant operating activities.

In Q2, the Corporation made its first shipments and exported doré bars containing 808 ounces of gold. Gold doré bars containing 724 ounces of gold were shipped to a refinery facility in Switzerland for further treatment and refining, and were subsequently sold to Auramet for gross proceeds of \$3.4 million. The Corporation furthermore shipped 84 ounces of gold to a specialised refinery in the UK for further refining and producing of Single Mine Origin (“SMO”) gold coins, which will be available for purchase by the local Greenlandic population and jewellery makers.

During the trial mining activities in the Nalunaq mine, Thyssen Schachtbau GMBH (“Thyssen”) will continue acting as the mining contractor, until 3 October 2025, whereafter Nalunaq will take over and execute the mining activities with its own staff. Alongside Thyssen, the Corporation began stope production and a second new ventilation portal was also opened on level 768, to support future development.

The Corporation’s construction of the first phase of the 300 tonne-per-day processing plant and associated infrastructure continued in the period. Installation of the following items was completed and commissioned for the trial processing phase:

- internal plant lightning,
- crusher partition wall,
- exterior doors,
- permanent foundations for control room,
- synchronization and commissioning of generators.

In addition, the construction of tank foundations, filter press foundation walls, installation of permanent piping system is ongoing. The planning process for the completion of the phase 1 works is completed and construction contractors’ teams are mobilized to site in July.

Installation works are nearly completed for the Camp wastewater treatment plant which is targeted to be commissioned in August 2025. The on-site Aqua Regia lab installation and commissioning is completed to speed up and streamline assaying of processing plant samples.

During the Period, the Corporation completed its detailed planning and scheduling for all exploration field work activities across gold and strategic mineral assets. This also involved the negotiation and signing of various contracts including helicopter and drilling services.

At Nalunaq, additional drilling capacity has been brought in to provide both surface and underground resource growth programmes. These will be managed and maintained by the Nalunaq mine team with support from the wider exploration division.

At Nanoq, a large multi-rig programme was mobilised post period end, from Denmark via Nalunaq with operations commencing in August 2025. This programme will include the construction of a ~40-person camp with full geological services allowing the programme to be results driven and retain operational flexibility.

The Corporation will continue its strategic mineral exploration with regional work focused on both copper and nickel exploration, as well as the identification for further REE targets. Amaroq aim to remain fully flexible to take the opportunity from early results and allow scout drilling before the close of the 2025 season.

Also, during the period, the Corporation announced the acquisition of the Black Angel and Kangerluarsuk licences and the creation of the West Greenland Hub. The former producing Zn/Pb/Ag mine at Black Angel contains a Mineral Resource of 4.4Mt and it is believed that significant further resource upside can be delineated both there and within Kangerluarsuk to the north. In summer 2025, Amaroq intends to review all historical data and consolidate equipment and logistics to allow for field operations in 2026.

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2.2 Q2-25 Consolidated Financial Results

Period ended June 30, 2025	Three months		Six months	
	2025	2024	2025	2024
	\$	\$	\$	\$
Financial Results				
Revenue	3,445,308	-	3,445,308	-
Cost of Sales	(3,874,670)	-	(3,874,670)	-
Selling, refining and royalty costs	(147,851)	-	(196,203)	-
Exploration and evaluation expenses	(532,563)	127,173	(725,983)	(748,040)
General and administrative expenses	(4,890,837)	(4,335,691)	(9,517,158)	(8,294,917)
Foreign exchange gain (loss)	1,127,017	514,521	1,718,627	435,012
Interest income	93,937	25,866	120,243	41,192
GardaQ project management fees	613,985	578,568	1,257,538	1,214,894
Gain on lease modification	-	-	30,543	-
Loss on liability derecognition	(307,263)	-	(307,263)	-
Share of net losses of joint arrangement	(343,865)	(1,263,385)	(714,208)	(1,909,817)
Unrealised gain (loss) on derivative liability	-	9,591,828	-	5,291,615
Finance costs	(829,224)	(9,558)	(1,281,497)	(18,132)
Net income (loss) and comprehensive income (loss)	(5,646,026)	5,229,322	(10,044,723)	(3,988,193)
Basic income (loss) per share	(0.014)	0.016	(0.025)	(0.013)
Diluted income (loss) per common share	(0.014)	0.014	(0.025)	(0.013)

Financial Position	As at	
	June 30, 2025	June 30, 2024
	\$	\$
Financial Position		
Cash	86,010,495	31,663,204
Investment in equity-accounted joint arrangement	14,188,105	21,582,994
Total assets	342,020,663	177,950,773
Total current liabilities	60,170,699	41,932,965
Total non-current liabilities	8,075,788	652,063
Shareholders' equity	273,774,176	135,365,745
Working capital (before convertible notes liability and loan payable) ¹	99,470,230	50,534,953
Working capital (convertible notes liability and loan payable included) ¹	59,221,096	17,092,095

¹ Working Capital as per the Consolidated Statement of Financial Position as at June 30 2025 is \$59,221,096 (\$17,291,885 as at June 30, 2024) and includes \$nil (\$33,442,858 as at June 30, 2024) of Convertible Notes liability, hybrid instrument with complex embedded derivatives due to its early conversion and repayment feature components, and loan payable of \$40,249,134 (\$nil as at June 30, 2024). The Corporation had classified host liability and embedded derivative liability as current due to its early conversion feature. The loan payable is classified as current because it matures within 12 months of the reporting date.

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2.3 2024 Financial Performance Highlights

	Q2-25	Q1-25	Q4-24	Q3-24
	\$	\$	\$	\$
Revenue	3,445,308	-	-	-
Gross loss	(577,213)	-	-	-
Exploration and evaluation expenses	(532,563)	(193,420)	2,290,855	(4,424,907)
General and administrative expenses	(4,890,837)	(4,626,321)	(5,690,573)	(3,536,240)
Share of net losses of joint arrangement	(343,865)	(370,343)	(1,891,948)	(4,788,733)
Net income (loss)	(5,646,026)	(4,398,697)	(5,454,426)	(14,013,519)
Basic income (loss) per share	(0.014)	(0.011)	(0.015)	(0.043)
Diluted income (loss) per common share	(0.014)	(0.011)	(0.015)	(0.043)
Cash	86,010,495	16,698,642	45,193,670	25,937,983
Investment in equity-accounted joint arrangement	14,188,105	14,531,970	14,902,313	16,794,261
Total assets	342,020,663	252,074,553	255,976,986	199,102,439
Total current liabilities	60,170,699	46,894,778	46,973,753	76,516,905
Total non-current liabilities	8,075,788	7,641,551	7,845,657	622,123
Shareholders' equity	273,774,176	197,538,224	201,157,576	121,963,411
Working capital (before convertible notes liability and loan payable) ¹	99,470,230	22,238,142	47,525,515	37,937,316
Working Capital (convertible notes liability and loan payable included) ¹	59,221,096	(7,563,780)	18,903,783	(24,983,350)

	Q2-24	Q1-24	Q4-23	Q3-23
	\$	\$	\$	\$
Revenue	-	-	-	-
Gross loss	-	-	-	-
Exploration and evaluation expenses	127,173	(875,213)	(879,326)	(2,277,540)
Site development costs	-	-	(2,515,743)	1,825,564
General and administrative expenses	(4,335,691)	(3,959,226)	(5,616,533)	(2,632,041)
Share of loss of joint arrangement	(1,263,385)	(646,432)	(2,871,156)	(3,381,749)
Net income (loss)	5,229,322	(9,217,515)	(14,259,107)	(6,555,222)
Basic income (loss) per share	0.016	(0.03)	(0.05)	(0.02)
Diluted income (loss) per common share	0.014	(0.03)	(0.05)	(0.02)
Cash	31,663,204	65,086,851	21,014,633	53,655,954
Investment in equity-accounted joint arrangement	21,582,994	22,846,379	23,492,811	26,363,967
Total assets	177,950,773	179,887,713	107,240,058	111,193,232
Total current liabilities	41,932,965	48,922,487	42,384,187	32,613,568
Total non-current liabilities	652,063	681,723	577,234	597,145
Shareholders' equity	135,365,745	130,283,503	64,278,637	77,982,519
Working capital (before convertible notes liability) ¹	50,734,743	78,210,475	34,092,130	58,690,733
Working Capital (convertible notes liability included) ¹	17,291,885	36,659,134	(1,650,997)	28,895,835

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The Corporation reported a net loss of \$5,646,026 and \$10,044,723 respectively for the three and six months ended June 30, 2025 compared to a net income of \$5,229,322 and loss of \$3,988,193 respectively for the three and six months ended June 30, 2024. Main comparisons to the previous period are as follows:

- Revenue of \$3,445,308 for three and six months ended June 30, 2025 (\$nil for three and six months ended June 30, 2024). During three and six month period ended June 30, 2025 the Corporation sold 723 ounces of gold and recognized a gross loss of \$577,213 and \$625,565 (\$nil for the three and six months ended June 30, 2024).
- Exploration and evaluation expenses of \$532,563 for three months and \$725,983 for six months ended June 30, 2025 (expense recovery of (\$127,173) for three months and expense of \$748,040 for six months ended June 30, 2024). \$532,563 and \$725,983 of expenses for three and six months ended June, 2025 mainly represent the costs associated with the detailed planning and preparation of the 2025 field exploration programmes.
- General and administrative costs of \$4,890,837 and \$9,517,158 respectively for the three and six months ended June 30, 2025 (\$4,335,691 and \$8,294,917 respectively for the three and six months ended June 30, 2024).
 - Salaries and benefits of \$1,249,955 and \$2,387,012 for the three and six months ended June 30, 2025 (\$2,121,857 and 2,991,272 for the three and six months ended June 30, 2024).
 - Stock-based compensation of \$695,832 and \$1,475,177 for the three and six months ended June 30, 2025 (\$24,107 and \$736,413 for the three and six months ended June 30, 2024). The Corporation has implemented a Restricted Share Unit Plan (“RSU”) to incentivise delivery of the exceptional shareholder returns over the longer-term and to align the interests of Senior Executives with those of shareholders. Under the RSU, participants share in a “RSU pool” of up to 10% in excess of the growth in the Corporation’s value. The Corporation’s value for purposes of the “RSU pool” is determined using a hurdle rate of 10% per annum over a performance period commencing on January 1, 2022. Part of the RSU pool will be reserved for future participants. Growth in value is based on the change in share price, with an adjustment for any dividends paid during the period (to the extent such distributions are made), based on the same number of shares in issue at the start of the performance period. Awards were granted to participants on December 31, 2022 and October 13, 2023. Share based compensation expense of \$695,832 recorded in three months ended June 30, 2025 represents the recognition of the three-month expense based on the fair valuation of the RSU pool for current participants, as well as RSU plan amendment that increased the number of shares available for the conditional award to be 10% of the issued share capital at the time of the award instead of 10% of a fixed share capital amount of 177,098,740. Further details on the RSU description and valuation are provided under Note 16.2 of December 31, 2024 Financial Statements and Note 14.2 of June 30, 2025 Financial Statements.
 - Director’s fees of \$154,897 and \$313,897 for the three and six months ended June 30, 2025 (\$159,000 and \$318,000 for the three and six months ended June 30, 2024). Slight reduction of Directors’ fees reflects a resignation of Liane Kelly with an effective date of June 13, 2025.
 - Professional fees of \$1,323,188 and \$2,566,483 for the three and six months ended June 30, 2025 (\$912,159 and \$1,851,968 for the three and six months ended June 30, 2024). Increase in professional fees is mainly due to increased advisory fees for full review of process plant operating criteria and production stabilization, as well as corporate development activities.
 - Investor Relations and Communication of \$178,673 and \$376,091 for the three and six months ended June 30, 2025 (\$147,134 and \$313,171 for the three and six months ended June 30, 2024) is slightly higher than for the same period of 2024, mainly driven by increased expenses relating to media training, ad campaigns as well as attending conferences.
 - Insurance of \$63,314 and \$172,219 for the three and six months ended June 30, 2025 (\$93,917 and \$172,833 for the three and six months ended June 30, 2024).
 - Travel and other expenses of \$946,676 and \$1,444,919 for the three and six months ended June 30, 2025 (\$639,947 and \$1,244,459 for the three and six months ended June 30, 2024). Increase in travel and other expenses is mainly driven by higher travel costs associated with increased business development, investor relations activity and operations oversight by the management.
 - Regulatory fees of \$265,387 and \$720,240 for the three and six months ended June 30, 2025 (\$188,726 and \$582,459 for the three and six months ended June 30, 2024). This was mainly driven by a higher venture sustaining fees in the securities exchanges as a result of the Company’s increased market capitalisation as well as increased custody fees.
- Foreign exchange gain of \$1,127,017 and \$1,718,627 for the three and six months ended June 30, 2025 (gain \$514,521 and \$435,012 in three and six months ended June 30, 2024) mainly represents the revaluation of DKK, GBP, and ISK denominated bank balances against a weakening Canadian dollar. In the three and six months ended June 30, 2025, DKK strengthened from 0.20 to 0.21 against the Canadian Dollar, GBP strengthened from 1.80 to 1.87, ISK strengthened from 0.0104 to 0.0113 and the EUR strengthened from 1.49 to 1.60. The gain was mainly due to the FX gain on the foreign currency denominated cash balances.
- Share of net loss in joint arrangement of \$343,865 and \$714,208 for the three and six months ended June 30, 2025 (\$1,263,385 and \$1,909,817 in three and six months ended June 30, 2024) representing the 51% share of exploration costs incurred by Gardaq A/S which decreased during the current period.
- Gardaq project management fees of \$613,985 and \$1,257,538 for the three and six months ended June 30, 2025 (\$578,568 and \$1,214,894 for the three and six months ended June 30, 2024) representing corporate overhead costs charged by Nalunaq A/S to Gardaq A/S.

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2.4 Cash Flow and Liquidity

Cash used in operating activities in the six months ended June 30, 2025, totalled \$13,362,668 compared to \$14,334,649 in the six months ended June 30, 2024. Cash used in operations during the six months ended June 30, 2025 reflects costs to run the 2025 corporate overheads, as well as cash used for working capital mainly to stockpile ore to put through the processing plant which is currently being commissioned. Cash used in operations during the six months ended June 30, 2024 was slightly higher due to the timing of working capital movements as the Nalunaq project was still in development and most of the working capital was used to fund downpayments on orders placed with process plant equipment suppliers.

Cash used in investing activities in the six months ended June 30, 2025, was \$37,916,356 (six months ended June 30, 2024 \$50,300,401) representing cash spent on trial mining development in Mountain Block and advancing the commissioning activities of the 300 tonne per day processing plant, as well as associated surface infrastructure such as wastewater treatment plant.

Cash received from financing activities in the six months ended June 30, 2025, was \$91,802,419 compared to cash received from financing activities of \$74,292,383 during the six months ended June 30, 2024. During the six months ended June 30, 2025, the Corporation finalized an equity capital raise with net proceeds of \$81.2 million, as well as \$10.7 million of net proceeds under the new \$35.0 million revolving credit facility. Cash inflow during the six months ended June 30, 2024 was mainly driven by the Corporation's equity capital raise which closed on February 23, 2024 and which resulted in net proceeds of \$74.5 million.

As of June 30, 2025, aside from \$86.0 million available cash, the Corporation had undrawn facilities of \$8.9 million (US \$6.5M), representing short-term liquidity of \$75.0 million net of trade payables and accrued liabilities.

As of June 30, 2025, the Corporation has working capital (before loan payable) of \$99,470,230 compared to \$47,525,515 as of December 31, 2024.

3. CORPORATE UPDATE

3.1 Appointment of Head of Business Development and Corporate Affairs

On January 21, 2025 the Corporation announced the appointment of Edward Westropp as Head of Business Development and Corporate Affairs and a member of the Corporation's Executive Team with the effective start date of March 24, 2025. Edward Westropp previously held a position of VP of Investor Relations and Communications at Lundin Energy SA until its sale to AkerBP ASA in 2022.

3.2 Sustainability Report

The Corporation issued its inaugural Sustainability Report in Q2-25.

3.3 GBP 45 million Fundraising

On June 30, 2025, the Corporation successfully closed its fundraising as announced on 11 June 2025, pursuant to which it raised gross proceeds of approximately GBP 45.0 million (CAD 83.2 million, ISK 7.6 billion), through a placing of 52,986,036 new common shares.

The net proceeds of the fundraising will be used to support the ongoing commissioning and production expansion at Nalunaq, complete technical studies in relation to production expansion at Nalunaq, create a new hub in West Greenland, accelerate and deepen exploration drilling and the preparation of technical studies of the assets and provide additional balance sheet strength and working capital flexibility to the Corporation.

Approximately 90% of the demand for the Fundraising was secured from a broad range of institutional investors from the UK, USA and mainland Europe.

Panmure Liberum Limited acted as nominated adviser, joint bookrunner and joint broker, alongside Canaccord Genuity Limited who also acted as joint bookrunner and joint broker on the UK Placing. Landsbankinn hf. and Acro verðbréf hf. acted as joint bookrunners on the Icelandic Placing.

Following admission, Amaroq's total issued share capital consists of 454,106,653 common shares of no-par value.

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3.4 Strategic Acquisitions

As part of the Corporation's strategy to expand its Greenlandic footprint and diversify its commodity exposure, on 11 June 2025, Amaroq announced the acquisition of the entire issued share capital of Black Angel Mining A/S ("Black Angel") from FBC Mining (BA) Limited ("FBC Mining"), as well as the proposed acquisition of the Kangerluarsuk licences from 80 Mile plc ("80 Mile") to create the West Greenland Hub. The Corporation entered into a binding, conditional share sale and purchase agreement with FBC Mining, with a consideration of US\$10 million, for the Black Angel acquisition; and a binding, conditional memorandum of understanding with 80 Mile and Disko Exploration Ltd, with an initial consideration of US\$0.5 million and a potential deferred consideration of US\$1.5 million (subject to the delineation of a mineral resource in the licence areas that could support the commencement of a formal Preliminary Economic Assessment, scoping study, or equivalent, which indicates the potential for economic extraction), for the acquisition of the Kangerluarsuk licences.

The initial consideration for both strategic acquisitions and the potential deferred consideration (if any) will be satisfied by the issue of Amaroq shares at prices to be determined with reference to the market price of the Corporation's common shares prior to closing of each of the strategic acquisitions. Amaroq shares will be issued to satisfy the initial consideration and the deferred consideration, respectively, for the transaction with 80 Mile. Completion of each of the strategic acquisitions are subject to the satisfaction of certain customary conditions precedent (and, in the case of 80 Mile, the negotiation of definitive documentation), including the approval of the TSX Venture Exchange and the approval of direct and indirect transfers of mineral exploration licences by the Government of Greenland.

Upon completion of both strategic acquisitions, and combined with the existing portfolio of licences, Amaroq will become the largest mineral licence holder in Greenland, with a total licence area of 7,501.4km². The acquisition of Black Angel is a related party transaction for the purposes of the AIM Rules and Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101").

3.5 Formation of Strategic Services Joint Venture Company – Suliaq ApS

On May 28, 2025 the Company announced that it has signed a non-binding heads of terms with JLE Group Ltd ("JLE") to establish a special purpose vehicle and create a joint venture company to be called Suliaq ApS, dedicated to the provision of essential services, supplies and supporting assets to the growing mining sector in Greenland. Subject to negotiation of the final terms of the joint venture, JLE will invest £4.0 million, by way of an equity contribution in exchange for a 10% shareholding in the company, with Amaroq holding 90%. JLE has the option to increase its investment up to a total of £12.0 million, structured in additional tranches of £4.0 million, which will result in proportional increases in JLE's equity stake in the company. Suliaq ApS was incorporated May 28, 2025.

3.6 Commencement of Trading on OTCQX in the U.S.

On July 1, 2025, the Corporation announced that it has been approved to trade on the OTCQX® Best Market ("OTCQX") in the United States of America. Trading on OTCQX commenced on 01 July 2025 under the ticker symbol "AMRQF".

3.7. Company name change to Amaroq Ltd.

The Annual General and Special Meeting of the Corporation held on 13 June 2025 approved a special resolution to change the Corporation's name to "Amaroq Ltd". The new name change reflects the Corporation's continued strategic evolution from a pure mineral exploration company to a broader, full-cycle mining enterprise. The Board of directors believes that the new name better represents the Corporation's diversified asset base and long-term vision. The name change was accepted by the TSXV and became effective on 15 July 2025.

4. OPERATIONAL UPDATES

4.1 Nalunaq Project Development

During Q2-25 the contracting teams returned to site to continue construction and commissioning activities in the processing plant. Installation of the following items was completed and commissioned for the trial processing phase:

- internal plant lightning,
- crusher partition wall,
- exterior doors,
- permanent foundations for control room,
- synchronization and commissioning of generators.

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The focus in H2-25 will be on finalising installation of all equipment and supporting infrastructure – such as piping and wiring – in accordance with the approved design specifications. This includes the filter press, wash skid, and permanent tanks for process and raw water, along with associated piping systems. Instrumentation and measurement equipment will also be installed during this phase, culminating in the completion and commissioning of phase one of the plant.

During the Period, development continued on the main ramp from level 770 to 790, 778 level access, and east and west sides of 768 level. Long hole drilling on 720 level was complete, the stopes were blasted and the ore processed. At 730 level, the stope has been drilled, and blasting will commence in Q3-25. Furthermore, the construction crew has completed building the workshop at 400 level which is now fully operational. The diamond drill bay at level 768 has been completed and the rig has been set up and commissioned and drilling commenced on 22 July 2025. A new ventilation portal was developed and the equipment installed to extend the ventilation to the face in the main ramp at 790 level.

During the trial mining period, efforts have continued to enhance mining team efficiency and equipment availability. While development rates in Q1 and Q2-25 were below initial targets, the Corporation has responded by implementing an improvement plan. This included the introduction of revised performance benchmarks for the on-site mining contractor, which have been agreed upon and formally accepted by the contractor.

4.2 Process Plant commissioning

The construction and upgrading of the plant equipment to engineering design continued over the period, utilising a small team of construction staff, as well as the plant operators. The filter press MCC was installed and commissioned with the OEM and Halyard team on site. The generators were also synchronised and commissioned by the OEM. Looking ahead into the rest of 2025, operations are expected to become more stable and efficiency levels improved, with the full configuration of operational equipment and completion of all construction, including the full enclosure and cladding of the plant from the elements; with the aim of bringing process capacity up to 300 tonnes-per-day by the end of 2025.

4.3 Gold Exploration Projects

- **Nalunaq**
 - Apart from in-mine resource definition drilling which has been continuing for much of the reporting period, no further active exploration focused on resource expansion has occurred.
 - The mine and exploration teams have been working on the new MRE4 model and incorporating this into the mine's daily operations and Grade Control (GC) models.
 - Amaroq has been in consultation with Bara Consulting Ltd (the authors of MRE4) to provide ongoing assistance in developing the mine's monthly reconciliation programmes and in preparation for a future resource update that may include a maiden Mineral Reserve estimate.

- **Nanoq**
 - Detailed planning and equipment sourcing for the 2025 field season was completed.
 - Drilling contracts with Energold were concluded for the field season.
 - The mobilisation vessel was commissioned and loading of this with required supplies and equipment commenced in Aarhus, Denmark in June 2025.

- **Satellite Deposits**
 - Review of additional new satellite gold deposits has commenced within the Vagar and Anoritooq licences.

4.4 Strategic Minerals Projects in 2024 (51% ownership through Gardaq Joint Venture)

- **Stendalen**
 - Planning for the 2025 field season to include additional geological work to refine and assess new robust drill targets was completed.
 - All assays and geophysical data have been received and are under interpretation.

- **Copper Belt (Johan Dahl Land/Sava/North Sava, Kobberminebugt)**
 - Regional exploration and detailed review of the 2024 targets has commenced with the incorporation Steve Garwin as the groups Technical Advisor.

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4.5 West Greenland Hub

- **Black Angel**
 - Plans have been put in place to conduct a site review and logistical assessment of the Black Angel facility and exploration planning for 2026 has commenced.
- **Kangerluarsuk**
 - Data collection from the previous operators of the project has been completed and full review of these data is underway.

4.6 Post-period Highlights: Nalunaq Underground Drilling Results Update

Post the closure of Q2-2025, the surface core drilling at Nalunaq has commenced on the first site upon the South Deeps area. Further the mobilization vessel has departed Denmark and arrived at Nalunaq upon which it has been loaded with further goods and departed for Nanoq.

Both Black Angel and Kangerluarsuk projects have been visited during an initial reconnaissance aimed at assessing technical and logistical requirements for future exploration operations.

5. EXPLORATION AND EVALUATION EXPENSES

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

The Corporation incurred the following exploration and evaluation expenses:

	Q2-25	Q2-24	Q2-25 YTD	Q2-24 YTD
	\$	\$	\$	\$
Nalunaq - Au				
Geology	264,248	119,346	267,521	133,343
Lodging and on-site support	-	(184,469)	798	-
Drilling	23,425	-	23,425	-
Analysis	-	127,877	36,685	132,910
Transport	4,559	8,112	18,696	8,831
Maintenance infrastructure	-	(468,803)	229	11,945
Supplies and equipment	12,274	79,522	13,942	110,511
Government fees	(2,093)	5,839	5,831	7,815
Depreciation	25,611	159,424	51,223	316,686
	328,024	(153,152)	418,350	722,041
Vagar - Au				
Analysis	-	-	156	-
Transport	-	-	-	(3,922)
Maintenance infrastructure	-	4,125	-	4,131
Supplies and equipment	-	(3,936)	-	-
Helicopter charter	51,882	-	51,882	-
Government fees	8,527	16,312	8,527	16,312
	60,409	16,501	60,565	16,521
Tartoq - Au				
Maintenance infrastructure	-	189	-	189
Government fees	9,574	8,722	9,574	8,722
	9,574	8,911	9,574	8,911
Siku - Au				
Maintenance infrastructure	-	189	-	189
	-	189	-	189

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	Q2-25	Q2-24	Q2-25 YTD	Q2-24 YTD
	\$	\$	\$	\$
Nuna Nutaaq - Au				
Lodging and on-site support	16,013	-	16,888	-
Drilling	119,590	-	220,146	-
Analysis	-	-	1,507	-
Maintenance infrastructure	-	189	-	189
Government fees	(1,047)	-	(1,047)	-
	134,556	189	237,494	189
Anoritooq - Au				
Maintenance infrastructure	-	189	-	189
	-	189	-	189
Total				
Geology	264,248	119,346	267,521	133,343
Lodging and on-site support	16,013	(184,469)	17,686	-
Drilling	143,015	-	243,571	-
Analysis	-	127,877	38,348	132,910
Transport	4,559	8,112	18,696	4,909
Supplies and equipment	12,274	75,586	13,942	110,511
Helicopter charter	51,882	-	51,882	-
Maintenance infrastructure	-	(463,922)	229	16,832
Government fees	14,961	30,873	22,885	32,849
Depreciation	25,611	159,424	51,223	316,686
Total exploration and evaluation expenses	532,563	(127,173)	725,983	748,040

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

6. 2025 OUTLOOK

Post-period Highlights

- Post period end, good mining progress has continued, with the integration of MRE4 into the mining plan, which when combined with the increased grades from the fire-assay results allows optimisation of the mining fleet and more effective operations to target ore body.
- Construction, commissioning and calibration of the processing facilities has continued into Q3-25.
- Positive progress has been achieved with sequential improvement in average daily processing rates continuing into Q3-25, when including stoppages for commissioning, calibration and rotation. Average grades while in the commissioning and trial mining stage of a project vary, however as we experience more uptime from the processing unit, grades have been improving and in accordance with the mine plan.

Outlook for 2025

There has been significant operational progress since the conclusion of Q2-25. With continued up time in mine development rates and processing throughput, the Corporation continues to target a run rate production of 300 tonnes-per-day by the end of 2025.

With good commissioning progress to date and alongside the enhanced liquidity position post the fundraise completed in June 2025, the decision has been made to bring forward certain construction and commissioning activities for the installation of flotation recovery (phase 2) into the third and fourth quarter of 2025, which will require a period of shut down at the processing facility in order to accommodate the activities but will enable critical work to be completed before winter, when operating conditions are more challenging, however mining will continue as normal. Once these are completed the processing facility will be calibrated to higher recovery rates, enabling higher cash generation from the facility, which will be further enhanced once it is running at the nameplate throughput of 300 t/d by the end of 2025.

The additional proposed construction and commissioning activities in Q3 and Q4-25 means we are targeting production for the year of approximately 5koz of gold for the full year 2025.

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6.1 Operations

Nalunaq:

- During the remainder of 2025, the main focus will be on completing the Phase 1 construction to the engineering designs specification and commissioning of the Nalunaq processing plant to achieve full throughput and gravity recovery capacity. The completion of the building will also be done during this phase of construction. During the continued trial mining and commissioning period, the focus will remain on enhancing the efficiency of the mining teams and ensuring the availability of equipment. To improve development rates, the Corporation is setting new performance benchmarks for their own mining team. These plans involve taking over the mining activities from 4 October 2025. A decision was taken by the Corporation to not renew the contract with the mining contractor and to continue with an owners mining team from 4 October 2025. In this context, performance-boosting equipment, such as an electric double boom and a single boom rig, will be deployed by the Corporation. The focus will stay on ramp development and the extension of the ore drives into the resource base. Additional portals will be developed to provide sufficient ventilation for the activities, and stoping will continue once the necessary ore drives are fully established. Meeting these performance criteria will enable mining to supply the processing plant with sufficient ore to ramp up to full production rates, concurrently with completing construction and fully configuring the plant's operational equipment to its design capability.

Permitting:

- 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, and in recognition of these circumstances, an extension of the deadline to 31 December 2025 has been agreed. Amaroq remains fully committed to its collaborative approach to ensure the IBA reflects the shared objectives of all parties. This delay to the formalization of the IBA will not impact current and future operations.

Gold Exploration Projects

Nalunaq

- Amaroq have mobilised a new underground drill rig which has arrived on site to provide continuous resource definition drilling through 2025 and beyond.
- Surface drilling from a second rig has commenced a programme aimed at resource and exploration target growth in the Target and South Blocks.

Nanoq

- Following the completion of the Corporation's first scout drilling programme at Nanoq, and the positive results received to date, Amaroq has commenced mobilisation to conduct a multi-rig drilling programme on the target from August, aimed at defining an initial mineralisation envelope, ahead of potential further resource drilling and bulk sampling into 2026.

Satellite Deposits

- Following the positive results of the surface sampling at the Eagle's Nest asset in 2024, the Corporation has commenced assessment of multiple gold targets within the Vagar and Anoritoq licences. The Company is maintaining flexibility to conduct scout drilling on these targets during the course of 2025 should results provide merit.

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

Copper Belt (Kobberminebugt/Nunarsuit/Sava/North Sava/Johan Dahl Land)

- The Corporation has commenced its work on a number of porphyry and epithermal copper targets upon the South Greenland Copper belt with assistance from the Company's Technical Advisor Steve Garwin. Further targeting work will continue on these and other new targets with the flexibility to conduct scout drilling on these targets during the course of 2025 should results provide merit.
- Further ground studies on Ukaleq continue with further airborne geophysics scheduled for later in the season.

Stendalen

- A field programme involving ground assessments, geological and structural has been designed and will be conducted during Q3-25.
- Further Cu/Ni sulphide targets will be assessed as part of a wider regional programme.

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Rare Earth Elements and Critical Metals

- Critical Metals exploration has continued upon the Nunrasuit licence and other new application sites and will continue through the course of the summer field season.

West Greenland Hub

Black Angel

- Full historical data collections and review will be conducted through the rest of this year coupled with technical and logistical assessments. This will allow for a detailed multi-year exploration programme being designed and scheduled.
- The Corporation will assess the options to repair and update the facilities on site before the winter, therefore allowing for early access in 2026.

Kangerluarsuk

- Data collection and review from the project has commenced and will continue through the course of 2025.
- The Corporation will assess various exploration options for 2026 including drilling of a number of geochemical and geophysical targets developed from previous operators.

Corporate strategy and business model

The four-pillar business strategy – the full cycle mining enterprise approach

The Management of the Corporation believe that in order to truly succeed in the exploitation of mineral resources in remote jurisdictions such as Greenland, it is imperative to de-risk the full value chain of mining operations, due to the harsh environment, remoteness, lack of existing domestic logistics networks and poor energy infrastructure. As such, the Corporation has been pursuing, what it calls a 'Full Cycle Mining Enterprise' strategy, with the aim of being able to conduct its operations successfully by using all of its own infrastructure and wherewithal. To such ends, this strategy is manifested within the 'four-pillar' business strategy - Development and Mining, Exploration, Logistics and Servicing and Renewable Energy generation.

Alongside the Corporation's focus on its two key pillars of mining development and exploration, two mining associated business lines have been established:

- Suliaq ApS - During Q2-25, the Company incorporated a subsidiary entity called Suliaq ApS in order to create a standalone business which will look to take advantage of the increased interest in mining and infrastructure in Greenland, through the provision of Amaroq's equipment and services, generating additional revenue. In addition, on 28 May 2025, the Company signed a non-binding head of terms with JLE, whereby JLE will invest £4.0 million, by way of an equity contribution in exchange for a 10% shareholding in the company, with Amaroq holding 90%. JLE has the option to increase its investment up to a total of £12.0 million, structured in additional tranches of £4.0 million, which will result in proportional increases in JLE's equity stake in the company. During the second half of 2025 a Board and management team will be put in place and initial contracts for the rental of equipment and services to third parties and other companies controlled by the Corporation, will be finalised.
- Renewable energy generation – Power generation and energy provision are one of the largest, most expensive and polluting cost items within remote mining operations. To de-risk the future life of mine at Nalunaq, whilst at the same time investing in technologies to power the future mines, the Corporation is in advanced plans for the construction of at least one mega watt ("MW") of hydro power, within close proximity of Nalunaq. During the second half of 2025, following the request for the trial pit investigation licence in July 2025, designs will be finalised and tenders for turbine, generator, transformer, powerhouse & penstock will be solicited, ahead of the publication of the prefeasibility report and application for the project to take place within the existing Nalunaq Mine Plan framework by the end of 2025, allowing for construction and power generation in 2026. It is anticipated that by year end 2025, the hydro electric business will be formally incorporated in Greenland, under the name IMEQ ApS.

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Other Areas of strategic focus in 2025

- Geopolitics – Greenland's resource potential and proximity to the world's largest markets for commodities have attracted a heightened level of political, as well as media scrutiny. In terms of the geopolitical interest in Greenland; by the end of the period, the US had elected a new president who had publicly declared his intentions of engaging more with Greenland as a resource province. The practicalities of this heightened geopolitical interest, is that the Corporation is actively pursuing multiple opportunities, to leverage the increased interest and focus on Greenland and the companies who are active in the province
- Main international exchange – As previously communicated, in 2025 Amaroq is considering upgrading one of its junior listings onto a main market of an international stock exchange, to access further market liquidity and mainstream investor base. However, there can be no certainty regarding timing or promotion of any such undertaking and further details will be shared with the market as appropriate.

6.2 Escrow account for closure obligations

When Nalunaq A/S purchased the Nalunaq Property on October 15, 2015, it came with an escrow account for environmental monitoring and an environmental monitoring provision. This escrow account was set up in favor of the Government of Greenland as security for fulfilling the environmental monitoring expenses following the closure of the Nalunaq Gold Mine. This environmental monitoring program was completed in 2020. In 2024 closure costs associated with the remediation plan and environmental monitoring expenses were further updated to incorporate responsible removal of Nalunaq Project related new infrastructure, process plant building construction and internal workings installation and underground equipment as well as remediation of the site to its original condition and the balance of the escrow account was increased to CAD5,716,288 as at June 30, 2024 and further increased to CAD6,675,007 on July 17, 2024 (escrow balance is CAD 7,298,682 as of June 30, 2025 as a result of foreign exchange fluctuations).

7. OFF BALANCE SHEET ARRANGEMENTS

The Corporation does not have significant off-balance-sheet arrangements other than the contractual obligations and commitments mentioned below.

8. SUBSEQUENT EVENT

Subsequent events are described in note 21 to the June 30, 2025 Financial Statements.

9. TRANSACTIONS BETWEEN RELATED PARTIES AND KEY MANAGEMENT BALANCE

9.1 Gardaq Joint Venture

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Gardaq management fees and allocated cost	613,985	578,568	1,257,538	1,214,894
Other allocated costs	6,573	139,765	6,214	175,663
Foreign exchange revaluation	(243,716)	56,710	(243,214)	62,927
	376,842	775,043	1,020,538	1,453,484

As at June 30, 2025, the balance receivable from Gardaq amounted to \$7,719,717 (\$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.

9.2 Receivable from Key Management

As at June 30, 2025, the balance receivable from key management amounted \$297,728 (\$nil as of December 31, 2024). This receivable balance represents an advance intended to cover the withholding tax on some shares received by the Vice President Exploration. This balance was repaid to the Corporation on July 2, 2025.

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10. CRITICAL ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of the Financial Statements requires Management to make judgments and form assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. On an ongoing basis, Management evaluates its judgments in relation to assets, liabilities and expenses. Management uses 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 recognised in the Financial Statements are described below.

JUDGMENTS

10.1 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.

10.1.2 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 capitalisation, 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's 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 suggest that the Nalunaq mine should be tested for impairment as of December 31, 2024.

10.2 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.

10.3 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.

10.4 Technical Feasibility and Commercial Viability ("TCFV")

Management uses significant judgment to determine when TFCV is demonstrable. Technical feasibility refers to the ability to physically construct and operate a mineral project in a technically sound manner to produce a saleable mineral product while commercial viability refers to the ability to mine the mineral asset to generate a reasonable return on investment. Key considerations used to determine if TFCV has been reached included the establishment of confidence about mineralisation, 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.

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Based on the criteria described above, Management has concluded that sufficient evidence existed on September 1, 2023, for the Corporation to declare TFCV for the Nalunaq Project. September 1, 2023, was aligned with the date that the Board of Directors approved and closed the Financing package deal (note 12 of December 31, 2024 Financial Statements), thus supporting the commercial viability of the project.

ESTIMATES AND ASSUMPTIONS

10.5 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 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.

10.6 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.

10.7 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.

11. CHANGES IN ACCOUNTING POLICIES

The new accounting policies, most relevant standards, amendments and interpretations issued up to the date of the issuance of the June 30, 2025 Financial Statements are listed at notes 1.2 of the Financial Statements.

12. FINANCIAL INSTRUMENTS

Financial instruments are described in note 3.18 of the 2024 Financial Statements. The Corporation's loan payable is recorded at amortised cost, net of transaction fees, and amortised using the effective interest rate method.

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13. CONTRACTUAL COMMITMENTS AND OBLIGATIONS

The Corporation has 5 exploration licences, Tartoq, Vagar, Nuna Nutaaq, Anoritoq, Siku and one exploitation licence, Nalunaq. The total amount of future exploration obligations as at December 31, 2024 for the five exploration licences is DKK 78,932,725 (\$15,797,911 using the exchange rate as at December 31, 2024). The license obligations are reviewed and determined on an annual basis by the MLSA in Greenland. For the purpose of crediting expenditures against the amounts set forth in these licences, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditure made. If these obligations are not met, certain measures may be taken by the licence holder to rectify the situation, including reducing the area of the licence proportionately to the spending shortfall or rolling over the exploration commitment to the next period subject to approval from the MLSA. Nalunaq A/S submitted its statements of expenses for these exploration licences for the 2024 year to the MLSA on April 1, 2025. The details of the exploration commitments are described in note 9 to the 2024 Financial Statements.

As at June 30, 2025, the Corporation had capital and operational commitments, of \$30,923,647 (\$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, establishment of surface infrastructure and purchase obligations for spare parts and supplies of Nalunaq operations, as well as contractual commitment for an exploration and drilling program at Nanoq.

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 recognised during the six-month period ended Jun 30, 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.

14. OUTSTANDING SHARES DATA

	August 14, 2025	December 31, 2024
	Number	Number
Capital stock	454,106,653	397,702,330
Stocks options	7,065,483	7,220,075
Restricted share units	6,914,174	7,607,858
Fully diluted	468,086,310	412,530,263

15. STOCK OPTION PLAN AND RESTRICTED SHARE UNIT PLAN

15.1 Stock option Plan

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

The Plan was approved initially in 2017 and is renewed by shareholders annually, last on June 13, 2025. The Plan is a "rolling" plan whereby a maximum of 10% of the issued shares at the time of the grant are reserved for issue under the Plan to executive officers, directors, employees and consultants. The Board of directors attributes the stock options, and the exercise price of the options shall not be less than the closing price on the last trading day preceding the grant date. The options have a maximum term of ten years. Options granted pursuant to the Plan shall vest and become exercisable at such time or times as may be determined by the Board, except options granted to consultants providing investor relations activities shall vest in stages over a 12-month period with a maximum of one-quarter of the options vesting in any three-month period. The Corporation has no legal or constructive obligation to repurchase or settle the options in cash.

On March and April 2025, an employee of the Corporation exercised his options. As a result, 154,592 options were exercised which resulted in the employee receiving 88,583 shares net of applicable withholdings.

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15.2 Restricted Share Unit Plan

The success of the Corporation will depend to a high degree on the future performance of the Senior Executives in executing the Corporation's growth strategy. The Restricted Share Unit Plan ("RSU") was approved initially in 2022 and an amendment to the rules of the RSU Plan was approved by shareholders on June 15, 2023, on June 14, 2024 and on June 13, 2025. The Corporation has implemented an RSU to incentivise delivery of this strategy and to align the interests of Senior Executives with those of shareholders.

Under the RSU, participants will share in a "RSU pool" of up to 10% in excess of the growth in the Corporation's value. The Corporation's value for purposes of the 'RSU pool' will be determined using a hurdle rate of 10% pa over a performance period commencing on January 1, 2022. Part of the RSU pool will be reserved for future participants. Growth in value will be based on the change in share price, with an adjustment for any dividends paid during the period (to the extent such distributions are made), based on the same number of shares in issue at the start of the performance period. Conditional Awards were granted to participants on December 30, 2022, October 13, 2023 and August 14, 2024 and part of Restricted Share Units was granted to participants on February 23, 2024 based on the first measurement date and February 12, 2025 based on the second measurement date.

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.

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.

On April 11, 2025, 3,329,704 restricted shares vested and were converted to common shares and transferred to capital stock.

16. RISK FACTORS

Risk factors are more fully discussed in the Corporation's MD&A in the annual report for the year ended December 31, 2024.

17. DISCLOSURE CONTROLS AND PROCEDURES

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

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

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

The CEO and CFO have evaluated whether there were changes to the DCP during the six months ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, the DCP. No such changes were identified through their evaluation.

Management, including the CEO and CFO, has evaluated the effectiveness of the design and operation of disclosure controls and procedures. Based on this evaluation, management has concluded that disclosure controls and procedures, as defined in NI 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings, were effective as at June 30, 2025.

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18. INTERNAL CONTROL OVER FINANCIAL REPORTING

The Corporation's management, including the CEO and the CFO, are responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") for the Corporation to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The fundamental issue is ensuring all transactions are properly authorised and identified and entered into a well-designed, robust and clearly understood accounting system on a timely basis to minimise risk of inaccuracy, failure to fairly reflect transactions, failure to fairly record transactions necessary to present financial statements in accordance with IFRS, unauthorised receipts and expenditures, or the inability to provide assurance that unauthorised 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 six months ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, the ICFR. No such changes were identified through their evaluation.

Management, including CEO and CFO, assessed the effectiveness of the design and operation of the Corporation's internal controls over financial reporting. Based on this assessment, management concluded that internal controls over financial reporting, as defined in NI 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings, were effective as at June 30, 2025, providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

19. FORWARD LOOKING INFORMATION

Certain statements in this Management Discussion and Analysis constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws. Such statements and information involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Corporation, its projects, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict" and other similar terminology, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. These statements reflect the Corporation's current expectations regarding future events, performance and results and speak only as of the date of this Management Discussion and Analysis.

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

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

August 14, 2025

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

(s) "Ellert Arnarson"
Ellert Arnarson
CFO