



Amaroq Ltd.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2025

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

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

| | Notes | As at June 30, 2025 \$ | As at December 31, 2024 \$ |
|--|-------|---------------------------------|-------------------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash | | 86,010,495 | 45,193,670 |
| Sales tax receivable | | 137,327 | 163,611 |
| Prepaid expenses and others | 3 | 10,203,201 | 10,223,447 |
| Interest receivable | | 107,500 | 114,064 |
| Financial Asset - Related Party | 6,18 | 7,719,717 | - |
| Inventory | 4 | 15,213,555 | 10,182,744 |
| Total current assets | | 119,391,795 | 65,877,536 |
| Non-current assets | | | |
| Deposit | | 178,541 | 181,871 |
| Escrow account for closure obligations | 5 | 7,298,682 | 6,799,104 |
| Financial Asset - Related Party | 6,18 | - | 6,699,179 |
| Investment in equity accounted joint arrangement | 6 | 14,188,105 | 14,902,313 |
| Mineral properties | 7 | 48,683 | 48,683 |
| Right of use asset | 11.1 | 107,433 | 621,826 |
| Capital assets | 8 | 200,807,424 | 160,846,474 |
| Total non-current assets | | 222,628,868 | 190,099,450 |
| TOTAL ASSETS | | 342,020,663 | 255,976,986 |
| LIABILITIES AND EQUITY | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 9 | 19,843,329 | 18,233,113 |
| Loans payable | 10 | 40,249,134 | 28,621,732 |
| Lease liabilities – current portion | 11 | 78,236 | 118,908 |
| Total current liabilities | | 60,170,699 | 46,973,753 |
| Non-current liabilities | | | |
| Lease liabilities | 11 | 74,609 | 591,805 |
| Asset retirement obligation | 12 | 8,001,179 | 7,253,852 |
| Total non-current liabilities | | 8,075,788 | 7,845,657 |
| Total liabilities | | 68,246,487 | 54,819,410 |
| Equity | | | |
| Capital stock | 13 | 373,477,993 | 291,169,401 |
| Contributed surplus | | 8,361,946 | 8,009,215 |
| Accumulated other comprehensive loss | | (36,772) | (36,772) |
| Deficit | | (108,028,991) | (97,984,268) |
| Total equity | | 273,774,176 | 201,157,576 |
| TOTAL LIABILITIES AND EQUITY | | 342,020,663 | 255,976,986 |

Subsequent events

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

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

| | Notes | Three months ended June 30, | | Six months ended June 30, | |
|--|-------|-----------------------------|------------------|---------------------------|--------------------|
| | | 2025 | 2024 | 2025 | 2024 |
| | | \$ | \$ | \$ | \$ |
| Revenue | | | | | |
| 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) | - |
| Gross loss | | (577,213) | - | (625,565) | - |
| Expenses | | | | | |
| Exploration and evaluation expenses | 15 | (532,563) | 127,173 | (725,983) | (748,040) |
| General and administrative | 16 | (4,890,837) | (4,335,691) | (9,517,158) | (8,294,917) |
| Foreign exchange gain | | 1,127,017 | 514,521 | 1,718,627 | 435,012 |
| Operating loss | | (4,873,596) | (3,693,997) | (9,150,079) | (8,607,945) |
| Other income (expenses) | | | | | |
| Interest income | | 93,937 | 25,866 | 120,243 | 41,192 |
| Garda Project management fees | 18.1 | 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 loss of joint arrangement | 6 | (343,865) | (1,263,385) | (714,208) | (1,909,817) |
| Unrealized gain on derivative liability | | - | 9,591,828 | - | 5,291,615 |
| Finance costs | 17 | (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) |
| | | | | | |
| Weighted average number of common shares outstanding – basic | | 403,008,869 | 326,825,939 | 400,371,106 | 308,700,211 |
| Weighted average number of common shares outstanding – diluted | | 403,008,869 | 364,748,474 | 400,371,106 | 308,700,211 |
| Basic earning (loss) per common share | 19 | (0.014) | 0.016 | (0.025) | (0.013) |
| Diluted earning (loss) per common share | 19 | (0.014) | 0.014 | (0.025) | (0.013) |
| Effect of dilution | | - | 0.002 | - | - |

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

Amaroq 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 | | - | - | - | - | (3,988,193) | (3,988,193) |
| Shares issued under a fundraising | | 62,724,758 | 75,574,600 | - | - | - | 75,574,600 |
| Shares issuance costs | | - | (1,218,285) | - | - | - | (1,218,285) |
| Options exercised, net | | 1,023,918 | 728,073 | (745,500) | - | - | (17,427) |
| Stock-based compensation | | - | - | 736,413 | - | - | 736,413 |
| Balance at June 30, 2024 | | 327,418,727 | 207,202,359 | 6,716,481 | (36,772) | (78,516,323) | 135,365,745 |
| 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 | | - | - | - | - | (10,044,723) | (10,044,723) |
| Shares issued under a fundraising | 13.2 | 52,986,036 | 84,519,844 | - | - | - | 84,519,844 |
| Shares issuance costs | 13.2 | - | (3,333,698) | - | - | - | (3,333,698) |
| Restricted shares vested | 14.2 | 3,329,704 | 1,058,191 | (1,058,191) | - | - | - |
| Options exercised, net | 14.1 | 88,583 | 64,255 | (64,255) | - | - | - |
| Stock-based compensation | 14 | - | - | 1,475,177 | - | - | 1,475,177 |
| Balance at June 30, 2025 | | 454,106,653 | 373,477,993 | 8,361,946 | (36,772) | (108,028,991) | 273,774,176 |

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

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

| | Notes | Six months ended June 30, | |
|--|-------|------------------------------|---------------------|
| | | 2025 \$ | 2024 \$ |
| Operating activities | | | |
| Net loss for the period | | (10,044,723) | (3,988,193) |
| Adjustments for: | | | |
| Depreciation | 8 | 422,405 | 347,881 |
| Amortisation of ROU asset | 11.1 | 39,742 | 53,340 |
| Stock-based compensation | 14 | 1,475,177 | 736,413 |
| Accretion of discount on asset retirement obligation | 12 | 586,837 | - |
| Unrealized (gain) loss on derivative liability | | - | (5,291,615) |
| Share of net losses of joint arrangement | 6 | 714,208 | 1,909,817 |
| Gain on lease modification | | (30,543) | - |
| Other expenses | | - | (17,427) |
| Foreign exchange | | (1,952,216) | (667,577) |
| Finance costs | | 308,353 | 18,132 |
| | | (8,480,760) | (6,899,229) |
| Changes in non-cash working capital items: | | | |
| Sales tax receivable | | 26,284 | (130,033) |
| Due from related party | 6,18 | (1,264,292) | (1,390,557) |
| Prepaid expenses and others | | (76,057) | (8,015,367) |
| Inventory | | (5,030,811) | - |
| Deposit | | 3,330 | - |
| Accounts payable and accrued liabilities | | 1,459,638 | 2,100,537 |
| | | (4,881,908) | (7,435,420) |
| Cash flow used in operating activities | | (13,362,668) | (14,334,649) |
| Investing activities | | | |
| Transfer to escrow account for closure obligations | | - | (5,066,193) |
| Construction in progress and acquisition of capital assets | 8 | (37,916,356) | (45,078,383) |
| Prepayment for acquisition of ROU asset | | - | (5,825) |
| Deposit | | - | (150,000) |
| Cash flow used in investing activities | | (37,916,356) | (50,300,401) |
| Financing activities | | | |
| Proceeds from issuance of shares | 13 | 84,519,844 | 75,574,600 |
| Proceeds from loan - net of transaction cost | 10 | 10,679,345 | - |
| Shares issuance costs | 13 | (3,333,698) | (1,218,285) |
| Lease payments | 11 | (63,072) | (63,932) |
| Cash flow from financing activities | | 91,802,419 | 74,292,383 |
| Net change in cash before effects of exchange rate changes on cash during the period | | 40,523,395 | 9,657,333 |
| Effects of exchange rate changes on cash | | 293,430 | 991,238 |
| Net change in cash during the period | | 40,816,825 | 10,648,571 |
| Cash, beginning of period | | 45,193,670 | 21,014,633 |
| Cash, end of period | | 86,010,495 | 31,663,204 |
| Supplemental cash flow information | | | |
| Borrowing costs capitalised to capital assets | 8 | 2,306,509 | 2,569,838 |
| ROU assets acquired through lease | 11.1 | - | 155,214 |
| Shares issued as a result of restricted shares vested | | 1,058,191 | - |

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

Amaroq Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three and six months ended June 30, 2025 and 2024

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

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

Amaroq Ltd. (the "Corporation") (previously known as Amaroq Minerals Ltd.) 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. Since July 2025, the Corporation's shares trade on the OTCQX® Best Market ("OTCQX") in the United States of America under the AMRQF ticker.

These unaudited condensed interim consolidated financial statements for the six months ended June 30, 2025 ("Financial Statements") were reviewed and authorized for issue by the Board of Directors on August 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.

1.2 Accounting policies

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, except as for the implementation of IFRS 15 during the six months ended June 30, 2025 as a result of the Corporation commencing gold sales.

The Corporation recognises revenue from the sale of gold when control of gold has transferred to the customer and the performance obligations are satisfied, which occurs when legal title and the significant risks and rewards of ownership have passed to the customer and the Corporation has no continuing managerial involvement with the goods.

1.3 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.

Amaroq Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three and six months ended June 30, 2025 and 2024

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

2. CRITICAL ACCOUNTING JUDGMENTS AND ASSUMPTIONS

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

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

3. PREPAID EXPENSES AND OTHERS

| | As at June 30, 2025 | As at December 31, 2024 |
|--|---------------------------|-------------------------------|
| | \$ | \$ |
| Advance payments to suppliers and mining contractors | 7,323,324 | 9,116,763 |
| Other prepayments | 2,879,877 | 1,106,684 |
| Total prepaid expenses and others | 10,203,201 | 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 June 30, 2025 | As at December 31, 2024 |
|--|---------------------------|-------------------------------|
| | \$ | \$ |
| Ore stockpile | 5,738,649 | 2,849,035 |
| Gold-in-circuit | 3,418,062 | - |
| Total precious metals inventory | 9,156,711 | 2,849,035 |
| Supplies and spare parts | 4,583,537 | 2,028,116 |
| Purchases in transit | 1,473,307 | 5,305,593 |
| Total inventory | 15,213,555 | 10,182,744 |

Purchases in transit include spare parts, consumables and equipment.

Amaroq Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three and six months ended June 30, 2025 and 2024

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

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 June 30, 2025 | As at December 31, 2024 |
|---|---------------------------|-------------------------------|
| | \$ | \$ |
| Balance beginning | 6,799,104 | 598,939 |
| Additions | - | 6,044,555 |
| Effect of foreign exchange | 499,578 | 155,610 |
| Balance ending | 7,298,682 | 6,799,104 |
| Non-current portion – escrow account for closure obligations | (7,298,682) | (6,799,104) |
| Current portion – escrow account for closure obligations | - | - |

6. INVESTMENT IN EQUITY ACCOUNTED JOINT ARRANGEMENT

| | As at June 30, 2025 | As at December 31, 2024 |
|--|---------------------------|-------------------------------|
| | \$ | \$ |
| Balance at beginning of period | 14,902,313 | 23,492,811 |
| Share of joint venture's net losses | (714,208) | (8,590,498) |
| Balance at end of period | 14,188,105 | 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 | (17,197,093) | (16,482,885) |
| Balance at end of period | 14,188,105 | 14,902,313 |

Amaroq Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three and six months ended June 30, 2025 and 2024

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

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

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

| | As at June 30, 2025 | As at December 31, 2024 |
|--|---------------------------|-------------------------------|
| | \$ | \$ |
| Cash and cash equivalent | 3,566,275 | 4,819,296 |
| Prepaid expenses and other | 640,894 | 105,054 |
| Total current assets | 4,207,169 | 4,924,350 |
| Mineral property | 117,576 | 117,576 |
| Total assets | 4,324,745 | 5,041,926 |
| Accounts payable and accrued liabilities | 77,883 | 415,194 |
| Financial liability - related party | 7,719,717 | 6,699,179 |
| Total liabilities | 7,797,600 | 7,114,373 |
| Capital stock | 30,246,937 | 30,246,937 |
| Deficit | (33,719,792) | (32,319,384) |
| Total equity | (3,472,855) | (2,072,447) |
| Total liabilities and equity | 4,324,745 | 5,041,926 |

| | For the six months ended June 30, 2025 | 2024 |
|--|---|--------------------|
| | \$ | \$ |
| Exploration and Evaluation expenses | (537,507) | (2,799,464) |
| Interest income | 490 | 4,640 |
| Foreign exchange gain | 410,219 | 369,405 |
| Operating loss | (126,798) | (2,425,419) |
| Other expenses | (1,273,611) | (1,319,319) |
| Net loss and comprehensive loss | (1,400,409) | (3,744,738) |

Amaroq Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three and six months ended June 30, 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 9,360,450 as at June 30, 2025).

During the six months ended June 30, 2025, the Corporation reclassified the financial asset as a current asset since the amount will be settled during April 2026. As a result, an amount of \$7,719,717 is classified as a current asset as at June 30, 2025 (\$6,699,179 classified as non-current as at December 31, 2024).

7. MINERAL PROPERTIES

| | As at December 31, 2024 | Additions | As at June 30, 2025 |
|---------------------------------|-------------------------------|-----------|---------------------------|
| Nalunaq – Au | \$ 1 | \$ - | \$ 1 |
| Tartoq – Au | 18,431 | - | 18,431 |
| Vagar – Au | 11,103 | - | 11,103 |
| Nuna Nutaaq – Au | 6,076 | - | 6,076 |
| Anoritoq – 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 June 30, 2024 |
|---------------------------------|-------------------------------|--------------|---------------------------|
| Nalunaq – Au | \$ 1 | \$ - | \$ 1 |
| Tartoq – Au | 18,431 | - | 18,431 |
| Vagar – Au | 11,103 | - | 11,103 |
| Nuna Nutaaq – Au | 6,076 | - | 6,076 |
| Anoritoq – Au | 6,389 | - | 6,389 |
| Siku – Au | 6,821 | (138) | 6,683 |
| Total mineral properties | 48,821 | (138) | 48,683 |

Amaroq Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three and six months ended June 30, 2025 and 2024

(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 |
|---------------------------------------|---|-------------------------------|--------------------------------------|-----------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Six months ended June 30, 2025 | | | | | |
| Opening net book value | 1,339,006 | 4,545,572 | 46,571 | 154,915,325 | 160,846,474 |
| Additions | - | - | - | 40,383,355 | 40,383,355 |
| Depreciation | (99,187) | (301,647) | (21,571) | - | (422,405) |
| Closing net book value | 1,239,819 | 4,243,925 | 25,000 | 195,298,680 | 200,807,424 |

| | Field equipment and infrastructure | Vehicles and rolling stock | Equipment (including software) | Construction in progress | Total |
|-------------------------------|---|-------------------------------|--------------------------------------|-----------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| As at June 30, 2025 | | | | | |
| Cost | 2,351,042 | 6,197,074 | 232,231 | 195,298,680 | 204,079,027 |
| Accumulated depreciation | (1,111,223) | (1,953,149) | (207,231) | - | (3,271,603) |
| Closing net book value | 1,239,819 | 4,243,925 | 25,000 | 195,298,680 | 200,807,424 |

| | 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 Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three and six months ended June 30, 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 \$51,223 (\$316,879 for the six months ended June 30, 2024) was expensed as exploration and evaluation expenses during the six months ended June 30, 2025. During the six months ended June 30, 2025, Buildings, Equipment, Infrastructure and Vehicles and rolling stock depreciation of \$349,804 (\$nil for the six months ended June 30, 2024) was capitalized to construction in progress.

During the first six months of 2025 the Corporation capitalised borrowing costs of \$2,306,509 (\$2,569,838 for the first six 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 June 30, 2025 | As at December 31, 2024 |
|---|---------------------------|-------------------------------|
| | \$ | \$ |
| Suppliers and mining contractors payable | 19,222,982 | 17,176,818 |
| Employee benefits payable | 101,963 | 707,211 |
| Other liabilities | 518,384 | 349,084 |
| Total accounts payable and accrued liabilities | 19,843,329 | 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 June 30, 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 | (1,172,510) | (693,272) |
| Accretion of discount | 682,164 | 318,238 |
| Accrued interest | 1,922,301 | 1,010,823 |
| Foreign exchange gain | (1,656,408) | 1,611,522 |
| Settlement of loans under cancelled facilities | (27,893,960) | - |
| Proceeds from loans under new facilities | 39,745,815 | - |
| Balance, ending | 40,249,134 | 28,621,732 |
| Non-current portion | - | - |
| Current portion | 40,249,134 | 28,621,732 |

Amaroq Ltd.

Condensed Notes to the interim Consolidated Financial Statements

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(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 May 2025, this facility was cancelled and replaced by the new facilities concluded in December 2024 (note 10.3).

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. During May 2025, this facility was cancelled and replaced by the new facilities concluded in December 2024 (note 10.3).

Amaroq Ltd.

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(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). During the month of May 2025, these facilities replaced the old 2023 facilities (note 10.1 and 10.2) and the amount of loans to be repaid as of June 30, 2025 amounts to \$40,249,134.

11. LEASE LIABILITIES

| | As at June 30, 2025 | As at December 31, 2024 |
|--|---------------------------|-------------------------------|
| | \$ | \$ |
| Balance beginning | 710,713 | 657,440 |
| Lease additions | - | 155,214 |
| Lease payment | (63,071) | (138,356) |
| Interest | 10,397 | 36,415 |
| Lease modification | (505,194) | - |
| Balance ending | 152,845 | 710,713 |
| Non-current portion – lease liabilities | (74,609) | (591,805) |
| Current portion – lease liabilities | 78,236 | 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 six-month period ended June 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 until March 2025 after which the monthly rent may increase as per the lease terms.

Amaroq Ltd.

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

11. LEASE LIABILITIES (CONT'D)

11.1 Right of use asset

| | As at June 30, 2025 | As at December 31, 2024 |
|---------------------------------|---------------------------|-------------------------------|
| Opening net book value | \$ 621,826 | \$ 574,856 |
| Additions | - | 161,039 |
| Amortisation | (39,742) | (114,069) |
| Impact of Lease Modification | (474,651) | - |
| Closing net book value | 107,433 | 621,826 |
| Cost | 161,039 | 997,239 |
| Accumulated amortisation | (53,606) | (375,413) |
| Closing net book value | 107,433 | 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 June 30, 2025 | As at December 31, 2024 |
|--|---------------------------|-------------------------------|
| Balance beginning | \$ 7,253,852 | \$ - |
| Additions | 160,490 | 6,833,213 |
| Accretion | 586,837 | 420,639 |
| Total asset retirement obligation | 8,001,179 | 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 2035. 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 and six months ended June 30, 2025 of \$284,025 and \$586,837 respectively (\$nil for the three and six months ended June 30, 2024) includes both the foreign exchange impact and accretion of the obligation as they both affect estimated future cash flows.

13. SHARE CAPITAL

13.1 Share Capital

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

Amaroq Ltd.

Condensed Notes to the interim Consolidated Financial Statements

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

13. SHARE CAPITAL (CONT'D)

13.2 Fundraising June 30, 2025

On June 30, 2025, the Corporation closed its fundraising 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 42,221,080 common shares of the Corporation pursuant to the UK Placing, 8,550,810 common shares of the Corporation pursuant to the Icelandic Placing, and 2,214,146 common shares of the Corporation pursuant to the Direct Private Placement Subscription, which have been issued at a price of 85 pence (CAD \$1.57, ISK 144 at the closing exchange rate on June 10, 2025) per new common share and will be admitted to trading on AIM, Nasdaq Iceland's main market, and the TSX-V. A total of 52,986,036 new common shares have been placed as part of the Fundraising.

14. STOCK-BASED COMPENSATION

14.1 Stock options

An incentive stock option plan (the "Plan") was approved initially in 2017 and renewed by shareholders 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 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 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.

Changes in stock options are as follows:

| | Six months ended June 30, 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 | (154,592) | 0.68 | (1,991,278) | 0.61 |
| Balance, end | 7,065,483 | 0.59 | 7,220,075 | 0.59 |
| Balance, end exercisable | 7,065,483 | 0.59 | 7,220,075 | 0.59 |

From the options exercised during the six months ended June 30, 2025, 66,009 shares (948,347 for the year ended December 31, 2024) were withheld to cover the stock option grant price and related taxes.

Amaroq Ltd.

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14. STOCK-BASED COMPENSATION (CONT'D)

Stock options outstanding and exercisable as at June 30, 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 |
| 1,280,000 | 1,280,000 | 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 |
| 7,065,483 | 7,065,483 | | |

14.2 Restricted Share Unit

14.2.1 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.

Amaroq Ltd.

Condensed Notes to the interim Consolidated Financial Statements

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14. STOCK-BASED COMPENSATION (CONT'D)

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

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

On August 14, 2024, the Corporation granted a new conditional award under a separate RSU plan to the Corporation's newly appointed Chief Financial Officer. This award entitles the participant to receive a 12% share of a pool defined by the total shareholder value created above a 10% per annum compound hurdle rate. Performance is measured from August 6, 2024, to the measurement date on December 31, 2025 (note 14.2.4).

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.

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

14.2.2 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.

14.2.3 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.

Amaroq Ltd.

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14. STOCK-BASED COMPENSATION (CONT'D)

| | |
|--------------------------|---|
| 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. |

14.2.4 Conditional Award under RSU Plan 2024

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

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

14.2.5 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 \$695,832 and \$1,475,177 was recorded during the three and six months ended June 30, 2025, (a charge of \$449,000 and \$898,000 was recorded during the three and six months ended June 30, 2024).

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14. STOCK-BASED COMPENSATION (CONT'D)

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) | \$6,556,600 |

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.

14.2.6 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 14.2), the Corporation granted an award (the "Award") on February 23, 2024 to directors and employees of the Corporation as listed below.

| | |
|---|--|
| Award Date | February 23, 2024 |
| Initial Price | CAD 0.552 |
| Hurdle Rate | 10% p.a. above the Initial Price |
| Total Pool | 10% of the growth in value above the Hurdle rate, not exceeding 10% of the Corporation's share capital |
| | The number of shares is determined at the Measurement Dates |
| Participant proportions and Number of shares subject to RSU | Eldur Olafsson, CEO 40% 3,805,377 shares Jaco Crouse ¹ , CFO 20% 1,902,688 shares Joan Plant, Executive VP 10% 951,344 shares James Gilbertson, VP Exploration 10% 951,344 shares Edward Wyvill, Corporate Development 10% 951,344 shares |
| First Measurement Date: | 31 December 2023 50% of the Shares will vest on the first anniversary of grant, with the remaining 50% vesting on the third anniversary of grant. |

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

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14. STOCK-BASED COMPENSATION (CONT'D)

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 14.2), 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. | | |

15. EXPLORATION AND EVALUATION EXPENSES

| | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|------------------|---------------------------|----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$ | \$ | \$ | \$ |
| 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 |
| Exploration and evaluation expenses before depreciation | 506,952 | (286,597) | 674,760 | 431,354 |
| Depreciation | 25,611 | 159,424 | 51,223 | 316,686 |
| Exploration and evaluation expenses | 532,563 | (127,173) | 725,983 | 748,040 |

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16. GENERAL AND ADMINISTRATION

| | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|------------------|---------------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$ | \$ | \$ | \$ |
| Salaries and benefits | 1,249,955 | 2,121,857 | 2,387,012 | 2,991,272 |
| Director's fees | 154,897 | 159,000 | 313,897 | 318,000 |
| Professional fees | 1,323,188 | 912,159 | 2,566,483 | 1,851,968 |
| Marketing and investor relations | 178,673 | 147,134 | 376,091 | 313,171 |
| Insurance | 63,314 | 93,917 | 172,219 | 172,833 |
| Travel and other expenses | 943,676 | 639,947 | 1,444,919 | 1,244,459 |
| Regulatory fees | 265,387 | 188,726 | 720,240 | 582,459 |
| General and administration before following elements | 4,179,090 | 4,262,740 | 7,980,861 | 7,474,162 |
| Stock-based compensation (note 14) | 695,832 | 24,107 | 1,475,177 | 736,413 |
| Depreciation | 15,915 | 48,844 | 61,120 | 84,342 |
| General and administration | 4,890,837 | 4,335,691 | 9,517,158 | 8,294,917 |

17. FINANCE COSTS

| | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|--------------|---------------------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$ | \$ | \$ | \$ |
| Lease interest | 1,975 | 9,558 | 10,397 | 18,132 |
| Accretion of discount on asset retirement obligation | 284,025 | - | 586,837 | - |
| Other finance costs | 543,224 | - | 684,263 | - |
| | 829,224 | 9,558 | 1,281,497 | 18,132 |

18. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

18.1 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 (See note 6.1).

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18. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (CONT'D)

18.2 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 Executive Vice President, the Head of Business Development and Corporate Affairs and the Vice President Explorations. Key management compensation is as follows:

| | Three months ended June 30, | | Six months ended June 30, | |
|--------------------------------|--------------------------------|----------------|------------------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$ | \$ | \$ | \$ |
| Short-term benefits | | | | |
| Salaries and benefits | 799,294 | 394,843 | 1,250,514 | 840,566 |
| Director's fees | 154,897 | 159,000 | 313,897 | 318,000 |
| Long-term benefits | | | | |
| Stock-based compensation | - | 806 | - | 1,612 |
| Stock-based compensation - RSU | 302,825 | (153,250) | 605,650 | 398,250 |
| Total compensation | 1,257,016 | 401,399 | 2,170,061 | 1,558,428 |

18.3 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 shares received by the Vice President Exploration. This balance was repaid to the Corporation on July 2, 2025.

19. NET EARNINGS (LOSS) PER COMMON 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 June 30, | | Six months ended June 30, | |
|--|--------------------------------|------------------|------------------------------|--------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$ | \$ | \$ | \$ |
| Net income (loss) and comprehensive income (loss) | (5,646,026) | 5,229,322 | (10,044,723) | (3,988,193) |
| Weighted average number of common shares outstanding - basic | 403,008,869 | 326,825,939 | 400,371,106 | 308,700,211 |
| Weighted average number of common shares outstanding – diluted | 403,008,869 | 364,748,474 | 400,371,106 | 308,700,211 |
| Basic earning (loss) per share | (0.014) | 0.016 | (0.025) | (0.013) |
| Diluted earning (loss) per common share | (0.014) | 0.014 | (0.025) | (0.013) |

Amaroq Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three and six months ended June 30, 2025 and 2024

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

20. 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 June 30, 2025:

20.1 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.

20.2 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:

| | June 30, 2025 | December 31, 2024 |
|--|------------------|----------------------|
| | \$ | \$ |
| Cash | 86,010,495 | 45,193,670 |
| Deposit | 178,541 | 181,871 |
| Interest receivable | 107,500 | 114,064 |
| Financial Asset – Related Party | 7,719,717 | 6,699,179 |
| Accounts payable and accrued liabilities | (19,843,329) | (18,233,113) |
| Loans payable | (40,249,134) | (28,621,732) |
| Lease liabilities | (152,845) | (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.

20.3 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 US\$35 million revolving credit facility with Landsbankinn that refinanced 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.

Amaroq Ltd.

Condensed Notes to the interim Consolidated Financial Statements

Three and six months ended June 30, 2025 and 2024

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

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

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

| | As at June 30, 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 | \$ 19,843,329 | \$ 40,249,134 | \$ 83,410 | \$ 18,233,113 | \$ 28,621,732 | \$ 150,850 |
| 1 to 5 years | - | - | 77,631 | - | - | 535,028 |
| 5 to 10 years | - | - | - | - | - | 126,975 |
| Total | 19,843,329 | 40,249,134 | 161,041 | 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 \$86,010,495 and the availability of undrawn credit facilities at the end of the period.

21. SUBSEQUENT EVENTS

21.1 Strategic Acquisitions

As part of the Corporation's strategy to expand its Greenlandic footprint and diversify its commodity exposure, on June 11, 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-V and the approval of direct and indirect transfers of mineral exploration licences by the Government of Greenland.

The acquisition of Black Angel is a related party transaction.