



Amaroq Ltd.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024



Independent Auditor's Report

To the Shareholders of Amaroq Ltd.

Opinion

We have audited the consolidated financial statements of Amaroq Ltd. and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Key Audit Matters

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

Assessment of Impairment Indicators on Capital Assets

Description of the key audit matter

As described in notes 3, 4 and 11 of the Group's consolidated financial statements, the Group has capital assets with a net book value of \$253 million as at December 31, 2025, which primarily represents construction in progress related to the Nalunaq mine that is under development. Management applies significant judgement at each financial reporting date in assessing whether changes to certain factors would be considered an indicator of impairment. No impairment indicators were identified by management as at December 31, 2025.

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



How the key audit matter was addressed in the audit

We performed the following audit procedures, amongst others:

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

Other Information

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

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

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

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

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

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

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

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

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

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



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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current



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

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario
March 26, 2026

Amaroq Ltd.

Consolidated Statements of Financial Position

As at December 31, 2025 and 2024

(In Canadian Dollars)

	Notes	As at December 31, 2025 \$	As at December 31, 2024 \$
ASSETS			
Current assets			
Cash		21,546,829	45,193,670
Sales tax receivable		144,142	163,611
Trade receivables		28,835	-
Prepaid expenses and others	6	10,735,618	10,223,447
Interest receivable		107,500	114,064
Financial Asset - Related Party	9,24	8,975,715	-
Inventory	7	25,608,108	10,182,744
Total current assets		67,146,747	65,877,536
Non-current assets			
Deposits		180,066	181,871
Escrow account for closure obligations	8	9,033,241	6,799,104
Financial Asset - Related Party	9,24	-	6,699,179
Investment in equity accounted joint arrangement	9	12,777,624	14,902,313
Mineral properties	10	12,296,505	48,683
Right of use asset	14.1	384,776	621,826
Capital assets	11	252,703,949	160,846,474
Total non-current assets		287,376,161	190,099,450
TOTAL ASSETS		354,522,908	255,976,986
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	12	20,356,440	18,233,113
Loans payable – current portion	13	-	28,621,732
Lease liabilities – current portion	14	189,866	118,908
Total current liabilities		20,546,306	46,973,753
Non-current liabilities			
Lease liabilities	14	121,861	591,805
Loans payable	13	42,229,853	-
Asset retirement obligation	15	11,510,538	7,253,852
Total non-current liabilities		53,862,252	7,845,657
Total liabilities		74,408,558	54,819,410
Equity			
Capital stock	16	388,678,826	291,169,401
Contributed surplus		8,057,549	8,009,215
Accumulated other comprehensive loss		(36,772)	(36,772)
Deficit		(116,585,253)	(97,984,268)
Total equity		280,114,350	201,157,576
TOTAL LIABILITIES AND EQUITY		354,522,908	255,976,986

Subsequent events

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

Approved on Behalf of the Board of Directors

(s) Eldur Ólafsson

Eldur Ólafsson

Director

(s) Line Frederiksen

Line Frederiksen

Director

Amaroq Ltd.**Consolidated Statements of Comprehensive Loss**

For the years ended December 31, 2025 and 2024

(In Canadian Dollars)

	Notes	2025	2024
		\$	\$
Revenue			
Revenue		26,984,361	-
Cost of Sales		(15,280,034)	-
Selling, refining and royalty costs		(627,146)	-
Gross profit		11,077,181	-
Expenses			
Exploration and evaluation expenses	20	(10,911,234)	(2,882,092)
General and administrative	21	(18,957,075)	(17,521,730)
Loss on disposal of capital assets		(253,269)	(149,916)
Foreign exchange gain		889,978	907,890
Operating loss		(18,154,419)	(19,645,848)
Other income (expenses)			
Interest income		741,658	1,188,104
Garda Project management fees		2,496,884	2,453,361
Gain on lease modification		55,323	-
Loss on extinguishment of loans payable	13	(307,263)	-
Share of net loss of joint arrangement	9	(2,124,689)	(8,590,498)
Unrealized gain (loss) on derivative liability		-	1,722,682
Finance costs	22	(1,308,479)	(583,939)
Net loss and comprehensive loss		(18,600,985)	(23,456,138)
Weighted average number of common shares outstanding – basic and diluted		427,557,914	329,948,183
Basic and diluted loss per common share	25	(0.044)	(0.071)

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

Amaroq Ltd.

Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(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		-	-	-	-	(23,456,138)	(23,456,138)
Shares issued under a fundraising		94,759,422	127,679,865	-	-	-	127,679,865
Convertible note equity conversion		38,229,926	37,027,253	-	-	-	37,027,253
Shares issuance costs		-	(6,402,000)	-	-	-	(6,402,000)
Options exercised, net		1,042,931	746,312	(763,739)	-	-	(17,427)
Stock-based compensation	17	-	-	2,047,386	-	-	2,047,386
Balance at December 31, 2024		397,702,330	291,169,401	8,009,215	(36,772)	(97,984,268)	201,157,576
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		-	-	-	-	(18,600,985)	(18,600,985)
Shares issued under a fundraising	16	52,986,036	84,519,844	-	-	-	84,519,844
Shares issued to fund acquisitions	5,16	8,047,161	14,487,480	-	-	-	14,487,480
Shares issuance costs	16	-	(3,380,304)	-	-	-	(3,380,304)
Restricted shares vested	17.2	4,083,153	2,391,796	(2,391,796)	-	-	-
Options exercised, net	17.1	830,142	429,455	(429,455)	-	-	-
Stock-based compensation	17	-	-	2,869,585	-	-	2,869,585
Shares withheld for tax	17.1	-	(938,846)	-	-	-	(938,846)
Balance at December 31, 2025		463,648,822	388,678,826	8,057,549	(36,772)	(116,585,253)	280,114,350

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

Amaroq Ltd.

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(In Canadian Dollars)

	Notes	2025	2024
		\$	\$
Operating activities			
Net loss		(18,600,985)	(23,456,138)
Adjustments for:			
Depreciation	11	1,369,328	819,142
Amortisation of ROU asset	14.1	87,078	114,069
Stock-based compensation	17	2,869,586	2,047,386
Accretion of discount on asset retirement obligation	15	487,115	420,639
Unrealized (gain) loss on derivative liability		-	(1,722,682)
Loss on disposal of capital assets		497,052	149,916
Share of net losses of joint arrangement	9	2,124,689	8,590,498
Gain on lease termination		(55,323)	-
Other expenses		-	(17,441)
Foreign exchange		(1,694,634)	(913,613)
Finance costs		441,108	163,300
		(12,474,986)	(13,804,924)
Changes in non-cash working capital items:			
Sales tax receivable		19,470	(93,855)
Due from related party	9,24	(2,519,890)	(2,913,929)
Trade and other receivables		(21,249)	-
Prepaid expenses and others		(331,055)	8,837,933
Inventory		(15,425,366)	(9,502,387)
Deposits		1,805	(153,927)
Accounts payable and accrued liabilities		865,404	11,605,706
		(17,410,881)	7,779,541
Cash flow used in operating activities		(29,885,867)	(6,025,383)
Investing activities			
Transfer to escrow account for closure obligations		-	(6,044,555)
Construction in progress and acquisition of capital assets	11	(83,852,097)	(111,417,121)
Prepayment for acquisition of ROU asset		(51,168)	(5,825)
Cash flow used in investing activities		(83,903,265)	(117,467,501)
Financing activities			
Proceeds from issuance of shares	16	84,519,844	127,679,865
Proceeds from loan - net of transaction cost	13	9,123,275	24,394,364
Shares issuance costs	16	(3,380,305)	(6,402,000)
Lease payments	14	(169,788)	(138,356)
Cash flow from financing activities		90,093,026	145,533,873
Net change in cash before effects of exchange rate changes on cash		(23,696,106)	22,040,989
Effects of exchange rate changes on cash		49,265	2,138,048
Net change in cash		(23,646,841)	24,179,037
Cash, beginning		45,193,670	21,014,633
Cash, ending		21,546,829	45,193,670
Supplemental cash flow information			
Borrowing costs capitalised to capital assets	11	5,584,224	5,323,501
ROU assets acquired through lease	14.1	441,897	155,214
Shares issued as part of asset acquisitions	5	9,869,139	-
Shares issued to acquire mineral properties	5	689,880	-
Shares issued as a result of note conversion		-	37,027,253
Shares issued on vesting of restricted share units	17.2	2,391,796	-

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

Amaroq Ltd.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025 and 2024

(In Canadian Dollars, except as otherwise noted)

1. NATURE OF OPERATIONS

Amaroq Ltd. (the "Corporation" or "Amaroq") (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. As at December 31, 2025, the Corporation's shares were listed on the TSX Venture Exchange (the "TSX-V"), the AIM market of the London Stock Exchange ("AIM"), and Nasdaq Main Market Iceland ("Nasdaq") under the AMRQ ticker. The Corporation's shares also traded on the OTCQX® Best Market ("OTCQX") in the United States under the AMRQF ticker. Subsequent to year-end, in March 19, 2026, the Corporation delisted from the TSX-V.

These consolidated financial statements for the twelve months ended December 31, 2025 ("Financial Statements") were reviewed and authorized for issue by the Board of Directors on March 26, 2026.

2. ADOPTION OF NEW AND REVISED STANDARDS

2.1 New and amended accounting standards effective for the current year

In the current year, the Corporation has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that have an effective date of January 1, 2025. The adoption of these standards has not had any material impact on the disclosures and amounts reported in these financial statements.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

These amendments specify how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.

2.2 Accounting standards issued but not yet effective

The Corporation has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than January 1, 2026. Many of these updates are not expected to have any significant impact on the Corporation and are therefore not discussed herein.

- Amendments to IFRS 9 and IFRS 7 to the *Classification and Measurement of Financial Instruments*
- Annual improvements and Amendments to IFRS Volume 11: IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7, *Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7*, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements*, and IAS 7 *Statement of Cash Flows*
- Amendments to IFRS 7, IFRS 9 and IFRS 19 *Contracts Referencing Nature-dependent Electricity*
- IFRS 18 *Presentation and Disclosures in Financial Statements*
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Amaroq Ltd.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025 and 2024

(In Canadian Dollars, except as otherwise noted)

2. ADOPTION OF NEW AND REVISED STANDARDS (Cont'd)

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*

Derecognition of a financial liability settled through an electronic transfer:

The amendments permit an entity to deem a financial liability, or part of a financial liability, discharged and derecognised before the settlement date when it is settled using an electronic payment system if specific criteria are met. The Corporation does not expect the adoption of this new standard to have a material impact on the Corporation's consolidated financial statements.

Classification of financial assets:

The amendments provide guidance on:

- Assessing *Contractual terms that are consistent with a basic lending arrangement*
- Enhanced description of *Assets with non-recourse features*
- Clarification of the distinguishing characteristics of *contractually linked instruments*
- Disclosure amendments for *Investments in equity instruments designated at Fair Value through Other Comprehensive Income ("FVTOCI")*
- Disclosure amendments for *Contractual terms that could change the timing or amount of contractual cash flows*

These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The Corporation is currently evaluating the impact that the application of these amendments may have on the Corporation's consolidated financial statements.

Amendments to IFRS 7, IFRS 9 and IFRS 19 *Contracts referencing nature-dependent electricity*

IFRS 7, IFRS 9 and IFRS 19 were amended to introduce disclosure requirements about contracts for nature dependent electricity with specific characteristics. The Corporation does not expect these amendments to have an impact on the Group's consolidated financial statements.

IFRS 18 *Presentation and Disclosures in Financial Statements*

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

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

IFRS 19 permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. The new standard is effective for reporting periods beginning on or after January 1, 2027 with earlier application permitted. The Corporation does not anticipate that this new standard will have an impact on the Corporation's consolidated financial statements.

Amaroq Ltd.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025 and 2024

(In Canadian Dollars, except as otherwise noted)

3. MATERIAL ACCOUNTING POLICIES

3.1 Basis of accounting

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

The Financial Statements have been prepared on the historical cost basis.

3.2 Going concern

The Financial Statements have been prepared on a going concern basis, which assumes that the Corporation will continue its operations and realise its assets and settle its liabilities in the normal course of business. During the year, the Corporation transitioned from construction and development into the initial production phase at its Nalunaq gold mine in Greenland. Commissioning of the processing plant and mine infrastructure progressed during the period and the Corporation commenced gold production and sales. Operations are currently in the ramp-up phase and the Corporation continues to incur operating and development expenditures as production levels increase.

The Corporation's ability to continue as a going concern is dependent upon the successful ramp-up of production and the generation of operating cash flows from the Nalunaq mine. Should operating performance differ materially from current expectations or commodity prices decline significantly, additional financing may be required to support operations and meet obligations as they fall due. The Corporation's existing working capital, expected revenues from gold sales, and available credit facilities are expected to be sufficient to meet its obligations as they fall due for at least the next twelve months from the reporting date of these Financial Statements. Accordingly, the Financial Statements have been prepared on a going concern basis.

3.3 Basis of consolidation

The Financial Statements include the accounts of the Corporation and those of its subsidiaries Nalunaq A/S, Suliaq ApS, Imeq ApS and Black Angel Mining A/S ("Black Angel") corporations 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 9).

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

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

3.4 Investments in joint venture

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

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

Amaroq Ltd.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025 and 2024

(In Canadian Dollars, except as otherwise noted)

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

3.5 Functional and presentation currency – Foreign currency transactions

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

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

3.6 Mineral properties and exploration and evaluation expenses

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

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

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

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

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

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

Amaroq Ltd.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025 and 2024

(In Canadian Dollars, except as otherwise noted)

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

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

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

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

3.7 Inventory

Ore stockpile, gold-in-circuit and gold doré inventory are recorded at the lower of cost and net realizable value and their cost includes direct labour costs, other direct costs and production overheads (including depreciation on property, plant and equipment). Net realizable value is determined based on the estimated selling price in the ordinary cost of business, less any further estimated costs expected to be incurred to completion.

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

Net realizable value is measured by estimating the sales value of the recoverable ounces of gold in the ore stockpile, gold-in-circuit, gold bearing tailings, and dore bars (based on forecast gold prices), less processing, refining, transportation and royalty costs.

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

Amaroq Ltd.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025 and 2024

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3. MATERIAL ACCOUNTING POLICIES (Cont'd)

3.8 Capital assets

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

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

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

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

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

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

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

3.8.1 Nalunaq mine project

Management established that effective September 1, 2023, the Nalunaq Project is in the development phase. Accordingly, all expenditures related to the restart of the Nalunaq mine and the associated development of the initial processing plant and surface infrastructure are capitalized under Construction in Progress within Capital assets (see note 11). Capitalized expenditures will be carried at cost until the Nalunaq Project is placed into commercial production, sold, abandoned, or determined by management to be impaired in value. The mine and, process plant building and the Nalunaq mine are not yet available for use as intended by management as at December 31, 2025, therefore, depreciation has not yet commenced.

Amaroq Ltd.

Notes to the Consolidated Financial Statements

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3. MATERIAL ACCOUNTING POLICIES (Cont'd)

3.9 Leases

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

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

3.10 Borrowing costs

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

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

3.11 Impairment of non-financial assets

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

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

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

Amaroq Ltd.

Notes to the Consolidated Financial Statements

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3. MATERIAL ACCOUNTING POLICIES (Cont'd)

3.12 Asset retirement obligation

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

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

3.13 Taxation

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

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

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

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

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

Amaroq Ltd.

Notes to the Consolidated Financial Statements

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3. MATERIAL ACCOUNTING POLICIES (Cont'd)

3.14 Equity

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

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

3.15 Revenue recognition

The Corporation produces gold from its Nalunaq mine. Revenue is principally generated from the sale and delivery of refined gold in agreed quantities and qualities to an offtaker ("the Customer"). Revenue from the sale of this precious metal is recognized in accordance with IFRS 15 *Revenue from Contracts with Customers*.

Revenue from gold sales is recognized at the point in time when control of the refined metals is transferred to the Customer, which occurs on the date that fully refined gold is transferred to the Customer. Control is deemed transferred when the refined metals are officially credited to the customer's account by the refiner.

The transaction price is determined based on the pricing agreed upon with the Customer as outlined in the agreement. Transaction prices are determined by reference to spot market bid prices during New York trading hours on the New York Commodity Exchange, adjusted for *pre-priced sales* to reflect adjustments to then current forward rates at the time of pricing, and adjusted for *in-process sales* to reflect cost of financing and any market contango or backwardation for the period from the date of payment to Outturn date.

Payment of gold is made at the time of delivery – which is the point when control is transferred to the Customer. Payment and delivery of gold are made within two business days for gold priced on a spot basis, and within 30 days for gold priced on a pre-price basis. Payment for gold sold on an in-process basis is made prior to the Outturn date and delivery of gold.

The accounting treatment of costs related to the sale of gold is governed by the separate purchase and refining agreements. The refining, transportation, and service charges are recognized when the corresponding services are performed.

3.16 Interest income

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

Amaroq Ltd.

Notes to the Consolidated Financial Statements

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3. MATERIAL ACCOUNTING POLICIES (Cont'd)

3.17 Stock-based compensation

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

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

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

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

3.18 Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding options, restricted share unit and warrants, in the weighted average number of common shares outstanding during the year, if dilutive. During 2025 and 2024, all the outstanding common share equivalents were anti-dilutive.

3.19 Financial instruments

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

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

3.19.1 Financial assets

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

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

Amaroq Ltd.

Notes to the Consolidated Financial Statements

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3. MATERIAL ACCOUNTING POLICIES (Cont'd)

Amortized cost:

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

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

3.19.2 Financial liabilities and equity

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

Classification as debt or equity

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

Financial liabilities measured at amortized cost

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

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

Equity instruments

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

Compound instruments

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

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

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

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

Embedded derivatives

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

Amaroq Ltd.

Notes to the Consolidated Financial Statements

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3. MATERIAL ACCOUNTING POLICIES (Cont'd)

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

3.19.3 Impairment of financial assets

Amortized cost:

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

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

3.20 Segment disclosures

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

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES 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, equity and expenses. Management uses past experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments. Actual outcomes may differ from these estimates under different assumptions and conditions. Critical judgments exercised in applying accounting policies with the most significant effect on the amounts recognized in the Financial Statements are described below.

JUDGMENTS

4.1 Impairment of mineral properties and capital assets

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

4.1.2 Impairment of capital assets

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

Amaroq Ltd.

Notes to the Consolidated Financial Statements

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4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd)

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 require that the Nalunaq mine should be tested for impairment as of December 31, 2025.

4.2 Determination of functional currency

The determination of the functional currency of the Corporation and its subsidiaries requires significant judgment and is based on the economic environment in which each entity operates, in accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

In determining functional currency, management considers the primary economic factors, including the currency that mainly influences sales prices for goods and services, and the currency of the country whose competitive forces and regulations primarily determine those sales prices. Management also considers secondary factors, including the currency in which financing activities are denominated and the currency in which receipts from operating activities are retained.

For entities in the development stage or those with limited revenue-generating activities, the determination of functional currency requires additional judgment, as there may be limited observable indicators. In such cases, management places greater emphasis on the currency of funding, expenditures, and the expected future economic environment in which the entity will operate.

Based on an evaluation of these factors, management has determined the functional currency of each entity is the Canadian dollar. Changes in the underlying transactions, events, or conditions may result in a change in functional currency, which could have a material impact on the Corporation's financial statements.

Amaroq Ltd.

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4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd)

4.3 Capitalisation of borrowing costs

The Corporation applies significant judgment in determining the amount of borrowing costs to be capitalized to its mining assets under development in accordance with IAS 23, *Borrowing Costs*.

Borrowing costs that are directly attributable to the acquisition, construction, or development of qualifying assets are capitalized as part of the cost of those assets. A qualifying asset is one that necessarily takes a substantial period of time to prepare for its intended use.

Management exercises judgment in identifying qualifying expenditures, determining the commencement, suspension, and cessation of capitalization, and assessing whether borrowing costs are directly attributable to the development of the mining asset. This includes evaluating the timing and extent of development activities, including construction and commissioning phases, and whether activities necessary to prepare the asset for its intended use are actively in progress.

The capitalization of borrowing costs ceases when the asset is substantially complete and ready for its intended use, which requires judgment and is closely linked to the assessment of when commercial production is achieved.

4.4 Technical Feasibility and Commercial Viability ("TFCV")

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

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

Amaroq Ltd.

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4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd)

4.5 Going Concern and Achievement of Commercial Production

In assessing the appropriateness of the going concern assumption, management has applied significant judgment in evaluating the Corporation's ability to achieve commercial production within the next fiscal year.

The Corporation is currently in the development stage and has not yet generated sufficient operating cash flows to fund its activities. Management's going concern assessment is highly dependent on the Corporation successfully transitioning to commercial production, which is expected to enable the generation of positive cash flows from operations and reduce reliance on external financing.

The determination of when commercial production will be achieved requires significant judgment and is based on an evaluation of both quantitative and qualitative factors, including progress toward completion of construction and commissioning activities, achievement of targeted production and recovery levels, operational stability, and the Corporation's ability to operate in a manner consistent with management's expectations.

Management has developed forecasts and cash flow projections that assume commercial production will be achieved in 2026. These forecasts incorporate assumptions related to production volumes and recoveries, operating costs, commodity prices, and capital requirements.

Based on its assessment of these factors and the available financing arrangements, management has concluded that there are no material uncertainties that cast significant doubt on the Corporation's ability to continue as a going concern. However, this assessment is subject to significant judgment, and changes in the timing or achievement of commercial production could impact the Corporation's ability to generate sufficient cash flows to meet its obligations as they come due.

ESTIMATES AND ASSUMPTIONS

4.6 Asset Retirement Obligation

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

4.7 Restricted Share Units ("RSU")

For the purpose of determining the fair market value of conditional restricted share unit awards with market conditions, 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, conditional restricted share units awards with market conditions and embedded derivative value represents Management's best estimate of awards fair value vesting at measurement dates stipulated under the RSU award contract.

Amaroq Ltd.

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5. STRATEGIC ACQUISITIONS AND RELATED PARTY

On June 11, 2025 the Corporation announced details of the strategic acquisition of the entire issued share capital of 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 asset purchase agreement 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.

On December 22, 2025, the Corporation announced the closing of the previously announced acquisitions. As consideration for the transactions, the Corporation issued 7,654,222 common shares of Amaroq to FBC Mining and 392,939 common shares of Amaroq to 80 Mile.

The Black Angel acquisition constituted a related party transaction under AIM Rule 13, MI 61-101 and was also considered a transaction with a Non-Arm's Length Party under the policies of the TSX Venture Exchange ("TSX-V"), by virtue of the fact that the ultimate parent company of Black Angel (of which Black Angel is a 100% owned subsidiary), BAMAS ehf. ("BAMAS"), is controlled by certain directors of the Corporation. Eldur Olafsson, Sigurbjorn Thorkelsson and Graham Stewart, all directors of the Corporation, collectively hold approximately 72% of BAMAS, directly. Eldur Olafsson, through Vatnar hf (Iceland) holds 42.9%, Sigurbjorn Thorkelsson through Fossar Holdings Ltd. holds 20.6% and Graham Stewart directly holds 8.5% of the issued share capital of BAMAS.

The acquisition of the entire issued share capital of Black Angel was recorded as an acquisition of assets since the acquired assets and assumed liabilities did not constitute businesses under IFRS 3, *Business Combinations*. Accordingly, the net assets of Black Angel acquired by the Corporation were recorded at the fair value of the consideration paid and allocated to the assets acquired and the liabilities assumed based on their estimated relative fair values as of December 22, 2025, the date of the acquisition. The consideration paid and the allocation to the net assets acquired are summarized as follows:

	\$
Consideration paid	
7,654,222 common shares of Amaroq issued to FBC Mining existing shareholders ⁽¹⁾	13,797,600
Value of debt assigned to Amaroq ⁽²⁾	(3,928,461)
	9,869,139
Net assets acquired:	
Cash	970
Escrow account for closure obligations	1,720,726
Mineral properties	11,557,942
Capital assets	517,962
Asset retirement obligation cost capitalized to capital assets	3,327,674
Debt to group companies	(3,928,461)
Asset retirement obligation	(3,327,674)
	9,869,139

(1) The number of Amaroq shares issued was calculated by dividing the purchase price in CAD (US\$10 million at the exchange rate of 1.37976) by the volume-weighted average price (VWAP) of Amaroq shares on the TSX-V immediately before closing.

(2) Assignment of a receivable from the previous owner FBC Mining to Amaroq.

Amaroq Ltd.

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6. PREPAID EXPENSES AND OTHERS

	2025	2024
	\$	\$
Advance payments to suppliers and mining contractors	9,305,186	9,116,763
Other prepayments	1,430,432	1,106,684
Total prepaid expenses and others	10,735,618	10,223,447

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

7. INVENTORY

	2025	2024
	\$	\$
Ore stockpile	1,595,120	2,849,035
Gold-in-circuit	3,541,968	-
Gold bearing tailings	10,605,358	-
Dore bars	43,364	-
Total precious metals inventory	15,785,810	2,849,035
Supplies and spare parts	9,304,086	2,028,116
Purchases in transit	518,212	5,305,593
Total inventory	25,608,108	10,182,744

Purchases in transit include spare parts, consumables and equipment required for the underground mining and process plant operations. Cost of sales during the year ended December 31, 2025 amounted to \$15,280,034 (\$nil during the year ended December 31, 2024).

8. 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 15).

	2025	2024
	\$	\$
Balance beginning	6,799,104	598,939
Additions (note 5)	1,720,726	6,044,555
Effect of foreign exchange	513,411	155,610
Balance ending	9,033,241	6,799,104
Non-current portion – escrow account for closure obligations	(9,033,241)	(6,799,104)
Current portion – escrow account for closure obligations	-	-

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9. INVESTMENT IN EQUITY ACCOUNTED JOINT ARRANGEMENT

	2025	2024
	\$	\$
Balance at beginning of period	14,902,313	23,492,811
Share of joint venture's net losses	(2,124,689)	(8,590,498)
Balance at end of period	12,777,624	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
Fair value recognition of retained investment - 51% share	31,385,198	31,385,198
Share of joint venture's cumulative net losses	(18,607,574)	(16,482,885)
Balance at end of period	12,777,624	14,902,313

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

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

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

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

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

The Corporation has determined that it has a joint control in Gardaq A/S as decisions around relevant activities require unanimous shareholder approval. Effective April 13, 2023, the Corporation's investment was accounted for as an investment in joint venture using the equity method. The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for the Corporation's proportionate share of the profit or loss, other comprehensive income or loss and any other changes in the joint venture's net assets, such as further investments or dividends. For the year ended December 31, 2025 the Corporation recorded the 51% proportion of net loss from Gardaq of \$2,124,689 (\$8,590,498 as at 31 December 2024).

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9. INVESTMENT IN EQUITY ACCOUNTED JOINT ARRANGEMENT (Cont'd)

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

	As at December 31, 2025	As at December 31, 2024
	\$	\$
Cash and cash equivalent	2,617,946	4,819,296
Prepaid expenses and other	6,856	105,054
Total current assets	2,624,802	4,924,350
Mineral property	117,576	117,576
Total assets	2,742,378	5,041,926
Accounts payable and accrued liabilities	5,166	415,194
Financial liability - related party	8,975,715	6,699,179
Total liabilities	8,980,881	7,114,373
Capital stock	30,246,937	30,246,937
Deficit	(36,485,440)	(32,319,384)
Total equity	(6,238,503)	(2,072,447)
Total liabilities and equity	2,742,378	5,041,926
	For the year ended December 31, 2025	2024
	\$	\$
Exploration and Evaluation expenses	(1,999,591)	(14,850,343)
Interest income	1,025	7,368
Foreign exchange gain	360,927	587,591
Operating loss	(1,637,639)	(14,255,384)
Other expenses	(2,528,417)	(2,588,730)
Net loss and comprehensive loss	(4,166,056)	(16,844,114)

9.1 Financial Asset – Related Party

Subject to the SSHA 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:

- subscribe to one Amaroq share by conversion of the amount payable to the Corporation,
- 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 9,221,500 as at December 31, 2025).

During the year ended December 31, 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 \$8,975,715 is classified as a current asset as at December 31, 2025 (\$6,699,179 classified as non-current as at December 31, 2024).

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10. MINERAL PROPERTIES

	As at December 31, 2024	Additions	As at December 31, 2025
	\$	\$	\$
Nalunaq – Au	1	-	1
Tartoq – Au	18,431	-	18,431
Vagar – Au	11,103	-	11,103
Nuna Nutaaq – Au	6,076	-	6,076
Anoritoq – Au	6,389	-	6,389
Siku – Au	6,683	-	6,683
Black Angel – Pb, Zn (note 5)	-	11,557,942	11,557,942
Kangerluarsuk – Zn (note 5)	-	689,880	689,880
Total mineral properties	48,683	12,247,822	12,296,505

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

10.1 Nalunaq - Au

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

10.1.1 Processing Plant and Royalty Agreement

Nalunaq A/S is party to a Processing Plant and Royalty Agreement relating to the Nalunaq licence originally entered into with AEX Gold Limited on March 31, 2017 (the “Royalty Agreement”) in connection with historical arrangements concerning the Nalunaq project.

On March 2, 2023, the Royalty Agreement was novated to replace AEX Gold Limited with FBC Mining (Holdings) Limited as beneficiary. On March 10, 2025, FBC Mining (Holdings) Limited assigned its rights under the Royalty Agreement to DLP Holdings S.à r.l. (Luxembourg), which is the current beneficiary.

Under the Royalty Agreement, Nalunaq A/S is required to pay a royalty equal to 1% of net revenue generated from the Nalunaq licence, calculated as total revenue less production, transportation and refining costs, provided that the operating profit per ounce of gold exceeds US\$500 in the relevant calendar year. The aggregate royalty payable over the life of mine is capped at US\$1,000,000.

As at December 31, 2025, the threshold triggering royalty payments had not been met.

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10. MINERAL PROPERTIES (Cont'd)

10.1.2 Government of Greenland royalty

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

- In Calendar Year 1 of sales of exploited minerals (2025) the Royalty shall be 1% of the gross sales value before transportation and refining costs. During the year ended December 31, 2025, the Corporation accrued \$269,843 in Royalty Costs.
- In Calendar Year 2 of sales of exploited minerals (2026) the Royalty shall be 2% of the gross sales value before transportation and refining costs.
- In Calendar Year 3 and all subsequent years of the sales of exploited minerals (>2026) the Royalty shall be 2.5% of the gross sales value before transportation and refining costs.

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

10.1.3 Exploration commitments and exploitation milestones

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

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

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

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

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

On November 26, 2024 the Corporation signed Addendum 9 to the Nalunaq Licence which now includes Royalty clauses as well as temporary approvals of Mining and Closure Plans under sections 77 and 80 of the Act on Mineral Activities and Exclusive Licence 2003/05. The temporary approval period of above-mentioned temporary approval runs until March 31, 2026, and approval terms now include export and sales process of gold doré.

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10. MINERAL PROPERTIES (Cont'd)

On March 20, 2026 the Corporation received an approval from the Government of Greenland of the Mine Plan and Closure Plan under sections 77 and 80 of the Act on Mineral Activities and Nalunaq's licence with the Mine Plan approval period starting from the date of signing until April 24, 2033. If the Corporation does not apply for the extension of the Mine Plan approval period no later than 90 days prior to the expiry date then the Corporation shall discontinue exploitation activities and commence closure activities no later than the date of expiry of the approval period.

The Corporation has been actively working in collaboration with the Government of Greenland and Kommune Kujalleq to advance the Impact Benefit Agreement (IBA). However, due to the Government of Greenland's need to address competing priorities, the IBA was not formalized by December 31, 2024, and an extension was indicated by the Government of Greenland. On January 8, 2026, Amaroq announced the final IBA awarded for the Nalunaq gold mine, which was finalized on December 19, 2025.

10.2 Tartoq - Au

10.2.1 Purchase of the Tartoq Licence

Nalunaq A/S entered into a sale and purchase agreement with Nanoq Resources Ltd on July 6, 2016 to acquire the Tartoq exploration licence (license no. 2015/17), located in Southwest Greenland from Nanoq Resources Ltd., for a total consideration of \$7,221. The licence originally expired on December 31, 2024, with an entitlement to a five-year extension. The renewal for five-years has been confirmed with Addendum No. 3 dated February 2020, which was signed by Nalunaq A/S on February 13, 2020 and was signed effectively by the government of Greenland on March 13, 2020. An extension was given by the Government of Greenland in response to the COVID 19 pandemic, for all exploration licences by two years, therefore, the Tartoq licence now expires on December 31, 2026.

10.2.2 Tartoq Exploration commitments

For the Tartoq exploration licence, Nalunaq A/S's 2025, approved exploration obligation is DKK 2,146,600. Together with the carried forward 2024 licence obligation of DKK 4,859,906 will result in DKK 7,006,506 (\$1,510,036 using the exchange rate as at December 31, 2025) exploration obligation in 2025 before an approval of 2025 incurred expenses by MLSA. For the purpose of crediting expenditures against the amounts set forth in the Tartoq Licence, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditures made. If these obligations are not met, certain measures may be taken by the licence holder to rectify the situation, including reducing the area of the licence proportionately to the spending shortfall or rolling over the exploration commitment to the next period subject to approval from the MLSA. Nalunaq A/S will submit 2025 statements of expenses for the Tartoq exploration licence to the MLSA by April 1, 2026.

10.3 Vagar - Au

10.3.1 Purchase of the Vagar Licence

Nalunaq A/S entered into a sale and purchase agreement with Nuna Minerals A/S, acting through its bankruptcy receiver, on February 6, 2017 to acquire the Vagar exploration licence (license no. 2006/10) located in Western Greenland, along with all mineral exploration and mining-related data, maps and reports pertaining to the Vagar Licence, studies and reports, for a purchase price of \$9,465 (DKK 50,000). Upon the approval of the Greenland authorities received on October 30, 2017, Nalunaq A/S signed the paperwork to complete the licence transfer, which became effective upon the Greenland authorities executing the document on January 18, 2018. The licence originally expired on December 31, 2021, with a possible six-year extension. An extension was given by the Government of Greenland in response to the COVID 19 pandemic for all exploration licences by two years therefore the Vagar licence expired on December 31, 2023.

The Corporation has applied for an additional 3 years extension and a licence area reduction of 220 km². The Government of Greenland agreed on May 2024 and gave an extension of the licence period by three-years, therefore the Vagar licence now expires on December 31, 2026.

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10. MINERAL PROPERTIES (Cont'd)

10.3.2 Vagar Exploration commitments

For the Vagar exploration licence, Nalunaq A/S's 2025 approved exploration obligation at the beginning of the year is DKK 37,700,788 for all exploration activities. The 2024 carried forward balance was DKK 57,087,374, resulting in DKK 94,788,162 (\$20,421,067 using the exchange rate as at December 31, 2025) or DKK 78,094,374 for the reduced area in 2025 (\$16,830,829 using the exchange rate as at the December 31, 2025) exploration obligation in 2025 before the approval of 2025 expenditures by MLSA. For the purpose of crediting expenditures against the amounts set forth in the Vagar Licence, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditures made. If these obligations are not met, certain measures may be taken by the licence holder to rectify the situation, including reducing the area of the licence proportionately to the spending shortfall or rolling over the exploration commitment to the next period subject to approval from the MLSA. Nalunaq A/S will submit its 2025 statements of expenses for the Vagar exploration licence to the MLSA by April 1, 2026.

The Corporation has applied for a licence area reduction of 32.3 km² in 2025 and it is still awaiting approval from the Greenland Government. Approval of this area reduction, will result in a reduction of the Vagar Exploration Obligation for 2025.

10.4 Nuna Nutaaq - Au

10.4.1 Purchase of the Nuna Nutaaq Licence

The Corporation has acquired the right to conduct exploration activities on approximately 244km² of land in an area of Itillersuaq near Narsaq in South Greenland. The exploration rights have been granted to the Corporation under a new separate Nuna Nutaaq Exploration Licence (License no. 2019/113). The licence application was approved, and all required documentation was signed by the Corporation on September 13, 2019. The licence became effective on September 26, 2019 when it was signed by the Government of Greenland. The licence originally expired December 31, 2023, with an entitlement to a five-year extension. An extension was granted by the Government of Greenland in response to the COVID 19 pandemic, an extension of the licence period for all exploration licences by two years, therefore the Nuna Nutaaq licence expired December 31, 2025. The Nuna Nutaaq licence is being renewed following the Company's application in Q4 2025, with a new expiry date in 2030, pending completed signed documentation from the government.

10.4.2 Nuna Nutaaq Exploration commitments

For the Nuna Nutaaq exploration license, Nalunaq A/S's 2025 approved exploration obligation is DKK 2,587,082 for all exploration activities. Together with the approved 2024 exploration expenses of DKK 4,125,125 and 2024 carried forward credits balance of DKK 5,208,795 which results in a total credit of DKK 2,621,713 for 2025 (credit of \$565,029 using the exchange rate as at December 31, 2025) so there is no exploration obligation in 2025 which was confirmed by MLSA. For the purpose of crediting expenditures against the amounts set forth in the Nuna Nutaaq Licence, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditures made. If these obligations are not met, certain measures may be taken by the licence holder to rectify the situation, including reducing the area of the licence proportionately to the spending shortfall or rolling over the exploration commitment to the next period subject to approval from the MLSA. Nalunaq A/S will submit its 2025 statements of expenses for the Nuna Nutaaq exploration licence to the MLSA by April 1, 2026.

The Corporation has applied for a licence area reduction of 37.82 km² in 2025 and it is still awaiting approval from the Greenland Government. Approval of this area reduction, will result in a reduction of the Nuna Nutaaq Exploration Obligation for 2025.

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10. MINERAL PROPERTIES (Cont'd)

10.5 Anoritoq - Au

10.5.1 Purchase of the Anoritoq Licence

The Corporation acquired the right to conduct exploration activities on approximately 1,185km² of land in the areas of Anoritoq and Kangerluluk in South Greenland. The exploration rights have been granted to the Corporation under a new separate Exploration Licence 2020/36, referred to as Anoritoq. The licence application has been approved and all required documentation was signed by the Corporation on June 11, 2020 and the licence became effective on June 24, 2020 when it was signed by the Government of Greenland. In October 2020, the Corporation was granted an addendum to the Anoritoq Licence, increasing the size of the licence to 1,889km² and became effective November 6, 2020 when it was signed by the Government of Greenland. In January 2026, the Corporation was granted an addendum to the Anoritoq Licence, decreasing the size of the licence to 183km² and became effective January 25, 2026 when it was signed by the Government of Greenland. The licence originally expired December 31, 2024 with a possible 5-year extension. In response to the COVID 19 pandemic, the Government of Greenland gave an extension of the licence period for all exploration licences by two years, therefore the licence expires December 31, 2026.

10.5.2 Anoritoq Exploration commitments

In 2025 Nalunaq A/S shall complete DKK 11,098,533 of exploration activities and carry forward balance of 2024 was DKK 13,455,766 which results in total of DKK 24,554,299 (\$5,291,920 using the exchange rate as at December 31, 2025) exploration obligation in 2025 before an approval of 2025 expenses by MLSA. For the purpose of crediting expenditures against the amounts set forth in the Anoritoq Licence, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditures made. If these obligations are not met, certain measures may be taken by the licence holder to rectify the situation, including reducing the area of the licence proportionately to the spending shortfall or rolling over the exploration commitment to the next period subject to approval from the MLSA. Nalunaq A/S will submit its statements of expenses for the Anoritoq exploration licence for the 2025 year to the MLSA by April 1, 2026.

The Corporation has applied for a licence area reduction of 182.6 km² in 2025 and it is still awaiting approval from the Greenland Government. Approval of this area reduction, will result in a reduction of the Anoritoq Exploration Obligation for 2025.

10.6 Siku - Au

10.6.1 Purchase of the Siku Licence

The Corporation acquired the right to conduct exploration activities on approximately 251km² of land in an area between the Nanoq and Jokum's Shear project on the east coast of South Greenland. The exploration rights have been granted to the Corporation under a new separate Exploration Licence 2022/08, referred to as Siku. The licence application has been approved and all required documentation was signed by the Corporation on May 10, 2022 and the licence became effective on June 3, 2022 when it was signed by the Government of Greenland. In December 2025, the Corporation was granted an addendum to the Siku Licence, decreasing the size of the licence to 8km² and became effective December 5, 2025 when it was signed by the Government of Greenland. The licence expires December 31, 2026 with a possible 5-year extension.

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10. MINERAL PROPERTIES (Cont'd)

10.6.2 Siku Exploration commitments

For the exploration licence, Nalunaq A/S shall complete DKK 2,646,590 of exploration activities in 2025 and carried forward DKK 3,470,718 from 2024 resulting in total obligation balance of DKK 6,117,308 (\$1,318,691 using the exchange rate as at December 31, 2025). For the purpose of crediting expenditures against the amounts set forth in the Siku Licence, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditures made. If these obligations are not met, certain measures may be taken by the licence holder to rectify the situation, including reducing the area of the licence proportionately to the spending shortfall or rolling over the exploration commitment to the next period subject to approval from the MLSA. Nalunaq A/S will submit its statements of expenses for the Siku exploration licence for the 2025 year to the MLSA by April 1, 2026.

The Corporation has applied for a licence area reduction of 8.36 km² in 2025 and it is still awaiting approval from the Greenland Government. Approval of this area reduction, will result in a reduction of the Siku Exploration Obligation for 2025.

10.7 Black Angel – Pb, Zn

10.7.1 Purchase of the Black Angel Licences

On June 11, 2025 Amaroq announced the acquisition of the entire issued share capital of Black Angel from FBC Mining and 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 which was closed on December 22, 2025. Black Angel is engaged in holding and using exploration licences and is currently working on Project Mammorilik Pb Zn, centered around the historical Black Angel Mine in northwestern Greenland, which was active from 1973 to 1990 and has since ceased operations. Project Mammorilik comprises of two mineral exploration licences MEL 2020-26 expiring on December 31, 2026 and MEL 2025-171 expiring on December 31, 2028.

10.7.2 Black Angel Exploration commitments

For the exploration licences, Black Angel shall complete DKK 1,673,400 of exploration activities in 2025 and carried forward DKK 505,949 from 2024 resulting in total obligation balance of DKK 2,179,349 (\$469,517 using the exchange rate as at December 31, 2025). For the purpose of crediting expenditures against the amounts set forth in the Black Angel Licences, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditures made. If these obligations are not met, certain measures may be taken by the licence holder to rectify the situation, including reducing the area of the licence proportionately to the spending shortfall or rolling over the exploration commitment to the next period subject to approval from the MLSA. Black Angel will submit its statements of expenses for the Black Angel exploration licences for the 2025 year to the MLSA by April 1, 2026.

10.8 Kangerluarsuk - Zn

10.8.1 Purchase of the Kangerluarsuk Licence

On June 11, 2025 Amaroq announced the proposed acquisition of the Kangerluarsuk licences from 80 Mile and a binding, conditional asset purchase agreement 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 which was closed on December 22, 2025. The Kangerluarsuk project represents a highly prospective exploration opportunity for Amaroq within the same geological belt as Black Angel and is located only circa 12 km north of the Black Angel mine. Project Kangerluarsuk comprises two mineral exploration licences MEL 2011-31 expiring on December 31, 2025 and MEL 2020-06 expiring on December 31, 2026.

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10. MINERAL PROPERTIES (Cont'd)

10.8.2 Kangerluarsuk Exploration commitments

For the exploration licences, Amaroq shall complete DKK 11,036,540 of exploration activities in 2025 and 2024 carried forward credits balance of DKK 14,972,905 which results in a total credit of DKK 3,936,365 for 2025 (credit of \$848,362 using the exchange rate as at December 31, 2025). For the purpose of crediting expenditures against the amounts set forth in the Kangerluarsuk Licences, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditures made. If these obligations are not met, certain measures may be taken by the licence holder to rectify the situation, including reducing the area of the licence proportionately to the spending shortfall or rolling over the exploration commitment to the next period subject to approval from the MLSA. Amaroq will submit its statements of expenses for the Kangerluarsuk exploration licences for the 2025 year to the MLSA by April 1, 2026.

10.9 Genex

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

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

11. CAPITAL ASSETS

	Field equipment and infrastructure	Vehicles and rolling stock	Equipment (including software)	Construction in progress	Total
	\$	\$	\$	\$	\$
December 31, 2025					
Opening net book value	1,339,006	4,545,572	46,571	154,915,325	160,846,474
Additions	-	544,822	6,337,452	86,841,581	93,723,855
Disposals	-	(497,052)	-	-	(497,052)
Depreciation	(198,373)	(615,205)	(555,750)	-	(1,369,328)
Closing net book value	1,140,633	3,978,137	5,828,273	241,756,906	252,703,949
	Field equipment and infrastructure	Vehicles and rolling stock	Equipment (including software)	Construction in progress	Total
	\$	\$	\$	\$	\$
As at December 31, 2025					
Cost	2,351,042	6,156,191	6,569,684	241,756,906	256,833,823
Accumulated depreciation	(1,210,409)	(2,178,054)	(741,411)	-	(4,129,874)
Closing net book value	1,140,633	3,978,137	5,828,273	241,756,906	252,703,949

Amaroq Ltd.

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11. CAPITAL ASSETS (Cont'd)

	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

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. During 2025, Equipment, Infrastructure and Vehicles and rolling stock depreciation of \$987,347 (\$74,477 in 2024) was capitalized to construction in progress.

As at December 31, 2025, the Corporation had capital commitments, of \$12,917,082 (\$16,232,290 as at December 31, 2024). These commitments relate to the continued development of the mine, construction and commissioning of the processing plant, purchases of mobile equipment and establishment of surface infrastructure.

During 2025 the Corporation capitalised borrowing costs of \$5,584,224 (\$5,323,501 in 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 13 for details with respect to the interest rates on these loans.

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
	\$	\$
Suppliers and mining contractors payable	19,924,889	17,176,818
Employee benefits payable	87,793	707,211
Other liabilities	343,758	349,084
Total accounts payable and accrued liabilities	20,356,440	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.

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13. LOANS PAYABLE

	As at December 31, 2025			As at December 31, 2024
	Loan Payable	Commitment Fee	Total Loan Payable	Total Loan Payable
	\$	\$	\$	\$
Balance, beginning	27,126,277	1,495,455	28,621,732	-
Gross proceeds from issue	-	-	-	25,087,636
Recognition of loan after note conversion	-	-	-	1,286,785
Transaction costs under new facilities	(1,172,510)	-	(1,172,510)	(693,272)
Accretion of discount	952,837	413,844	1,366,681	318,238
Accrued interest	4,631,386	-	4,631,386	1,010,823
Foreign exchange (gain) loss	(1,489,262)	(23,959)	(1,513,221)	1,611,522
Settlement of loans under cancelled facilities (note 13.1, 13.2 and 13.3)	(27,893,959)	-	(27,893,959)	-
Proceeds from loans under new facilities	39,745,815	-	39,745,815	-
Payment of commitment fee on convertible note	-	(1,556,071)	(1,556,071)	-
Balance, ending	41,900,584	329,269	42,229,853	28,621,732
Non-current portion	(41,900,584)	(329,269)	(42,229,853)	-
Current portion	-	-	-	28,621,732

13.1 Revolving Credit Facility

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

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

The facility is secured by (i) a bank account pledge from the Corporation and Nalunaq A/S, (ii) share pledges over all current and future acquired shares in Nalunaq A/S and Gardaq A/S held by the Corporation pursuant to the terms of share pledge agreements, (iii) a proceeds loan assignment agreement, (iv) a pledge agreement in respect of owner's mortgage deeds and (v) a licence transfer agreement. During September 2024, the Corporation has drawn on this facility and the facility was subsequently settled and paid in full in May 2025 with the proceeds from the borrowings under the new facility (note 13.3).

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Notes to the Consolidated Financial Statements

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13. LOANS PAYABLE (Cont'd)

13.2 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 Garda A/S held by the Corporation pursuant to the terms of share pledge agreements, (iii) a proceeds loan assignment agreement, (iv) a pledge agreement in respect of owner's mortgage deeds and (v) a licence transfer agreement. The Overrun Facility was not utilized by the Corporation and was replaced with the US\$35 million revolving facilities (note 13.3).

13.3 US\$35 million Revolving Credit Facility

The Corporation entered into a new facility in December 2024 with a US\$35 million debt financing package with Landsbankinn consisting of three Revolving Credit Facilities:

- 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

The Corporation borrowed under this new facility in May 2025 by utilizing Facility A and Facility B. Facility A was utilized to repay the Corporation's prior revolving credit facilities (note 13.1 and 13.2), resulting in a loss on extinguishment of \$307,263.

	As at December 31, 2025
	\$
Balance, beginning	27,126,277
Accretion of discount	255,216
Accrued interest	1,272,062
Foreign exchange (gain) loss	(759,596)
Loan balance before extinguishment, May 15, 2025	27,893,959
Settlement of loans under cancelled facilities (note 13.1 and 13.2)	(28,201,222)
Loss on settlement of loans under old facilities	307,263
Proceeds from loans under new facilities	39,745,815
Transaction costs under new facilities	(1,172,510)
Accretion of discount	697,621
Accrued interest	3,359,324
Foreign exchange (gain) loss	(729,666)
Loan balance under new facility, December 31, 2025	41,900,584

Amaroq Ltd.

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13. LOANS PAYABLE (Cont'd)

The proceeds from borrowing under Facilities B and C are to be applied towards working capital and general corporate purposes.

- The facilities include covenants relating to maintaining a minimum equity ratio and EBITDA.
- 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.
- These facilities include a commitment fee of 0.40% per annum on available facilities and an arrangement fee of 1.50% of the total commitment
- On November 19, 2025, the Corporation amended the new facility as follows:
 - The facility term is extended by 14 months, from December 1, 2026 to February 1, 2028.
 - The amended facilities covenants relating to EBITDA become effective in 2026.
 - A reduced margin, in the event that no Event of Default has occurred and based on the last twelve months EBITDA:
 - 7.50% if LTM EBITDA is less than or equal to CAD 25 million,
 - 6.25% if LTM EBITDA exceeds CAD 25 million,
 - 5.00% if LTM EBITDA exceeds CAD 50 million,
 - 4.50% if LTM EBITDA exceeds CAD 70 million.

The Corporation's revolving credit facility contains a rollover feature that provides the Corporation with the unconditional right at the end of the reporting period to defer settlement of the liability for at least twelve months. Accordingly, the loan has been presented as a long-term liability in the consolidated statement of financial position at December 31, 2025.

The facility is subject to financial covenants, including EBITDA and equity ratio covenants, which are tested on a quarterly basis commencing in 2025 for the equity ratio covenant and tested on a quarterly basis for the EBITDA covenant commencing in 2026.

As at the reporting date, the Corporation was in compliance with all covenants. The Corporation's forecasts indicate that it expects to remain in compliance with these covenants for a period of at least twelve months from the reporting date. These forecasts are based on the achievement of commercial production in 2026 and other assumptions as noted in note 4.5 of the consolidated financial statements.

While compliance with covenants is assessed based on conditions existing at the reporting date for the purpose of classifying the liability, a breach of these covenants in future periods could result in the borrowings becoming repayable on demand. Management monitors compliance with these covenants on an ongoing basis.

Amaroq Ltd.

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14. LEASE LIABILITIES

	As at December 31, 2025	As at December 31, 2024
Balance beginning	\$ 710,713	\$ 657,440
Lease additions	273,512	155,214
Lease payment	(169,788)	(138,356)
Interest	27,264	36,415
Lease termination	(529,974)	-
Balance ending	311,727	710,713
Non-current portion – lease liabilities	(121,861)	(591,805)
Current portion – lease liabilities	189,866	118,908

The Corporation had 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 was \$8,825 until March 2024 and \$9,070 for the balance of the lease. The Corporation had 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, and subsequently agreed with the lessor to terminate the lease at the end of September 2025. As a result the Corporation derecognized the lease liability in the amount of \$529,974 in 2025.

In March 2024, the Corporation started a new office 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.

During June 2025, the Corporation entered into a two-year lease for a drill rig, with August 1, 2025, being the lease commencement date, for semi-monthly payments of \$7,046. At the end of the lease term, ownership of the drill will be transferred to the Corporation.

Maturity analysis:	
	\$
2026	213,628
2027	117,663
2028	7,943
2029	-
2030	-
Onwards	-
Undiscounted lease payments	339,234
Less: unearned interest	(27,507)
	311,727

Amaroq Ltd.

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14. LEASE LIABILITIES (Cont'd)

14.1 Right of use asset

	As at December 31, 2025	As at December 31, 2024
	\$	\$
Opening net book value	621,826	574,856
Additions	324,680	161,039
Amortisation	(87,079)	(114,069)
Lease termination	(474,651)	-
Closing net book value	384,776	621,826
Cost	485,719	997,239
Accumulated amortisation	(100,943)	(375,413)
Closing net book value	384,776	621,826

Amortisation of right-of-use assets is being recorded in general and administrative expenses and exploration and evaluation expenses in the consolidated statement of comprehensive loss, under depreciation. Amortisation of \$87,079 (\$114,069 in 2024) was expensed as general and administration expenses in 2025.

15. ASSET RETIREMENT OBLIGATION

	As at December 31, 2025	As at December 31, 2024
	\$	\$
Balance beginning	7,253,852	-
Additions	3,769,571	6,833,213
Accretion	487,115	420,639
Total asset retirement obligation	11,510,538	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 certain other items as listed in the 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 8).

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. Additions to the obligation during the year were due to the increased obligation of \$3,327,674 that resulted from the acquisition of Black Angel (note 5), while \$441,897 was due to the increase in Nalunaq's obligation (\$6,833,213 for the year ended December 31, 2024 due to the increase in Nalunaq's obligation). Accretion of discount for the year ended December 31, 2025, of \$487,115 (\$420,639 for the year ended December 31, 2024) includes both the foreign exchange impact and accretion of the obligation as they both affect estimated future cash flows.

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16. SHARE CAPITAL

16.1 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.

16.2 Fundraising February 23, 2024

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

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

16.3 Fundraising December 17, 2024

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

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

16.4 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.

16.5 Acquisition of Black Angel and Kangerluarsuk licences December 22, 2025

On December 22, 2025, and as described in note 5, the Corporation issued 7,654,222 common shares of the Corporation to FBC Mining and 392,939 common shares of the Corporation to 80 Mile to satisfy the consideration paid to acquire Black Angel and Kangerluarsuk licences.

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17 STOCK-BASED COMPENSATION

17.1 Stock options

An incentive stock option plan (the “Plan”) was approved initially in 2017 and re-approved 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 May 14, 2024, and June 3, 2024, the Corporation granted its employees 22,988 stock options with an exercise price ranging from \$1.30 to \$1.31 per share. The stock options vested 100% at the grant date. The options were granted at an exercise price equal to the closing market price of the shares the day prior to the grant. Total stock-based compensation costs amounted to \$18,163 for an estimated fair value of \$0.72 per share.

On September 22, 2025, the Corporation granted its employee 23,255 stock options with an exercise price of \$1.29 per share. The stock options vested three months from the grant date. The options were granted at an exercise price equal to the closing market price of the shares the day prior to the grant. Total stock-based compensation costs amounted to \$15,581 for an estimated fair value of \$0.67 per share.

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

	December 31, 2025	December 31, 2024
Risk free rate	2.74%	3.49% - 3.66%
Expected life (years)	5 years	5 years
Volatility	55.3%	61.4% - 61.8%
Share price at date of grant	\$1.29	\$1.30 - \$1.31
Fair value per option	\$0.67	\$0.72

The total share-based payment expenses related to the options and the amount credited to contributed surplus were \$15,581 (\$18,694 for the year ended December 31, 2024).

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

In 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. In November and December 2025, directors, employees and a consultant of the Corporation exercised their options. As a result, 1,660,000 options were exercised which resulted in the directors, employees and consultant receiving 741,559 shares net of applicable withholdings.

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17. STOCK-BASED COMPENSATION (Cont'd)

During December 2025, the following option exercises occurred:

- The CEO of the Corporation exercised 1,500,000 options, and received 626,616 shares net of applicable withholdings, and
- The Chairman of the Board of the Corporation exercised 100,000 options, and received 77,777 shares net of applicable withholdings, and
- The interim COO of the Corporation exercised 50,000 options, and received 29,301 shares net of applicable withholdings, and
- A consultant of the Corporation exercised 10,000 options and received 7,865 shares net of applicable withholdings.

Changes in stock options are as follows:

	December 31, 2025		December 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance, beginning	7,220,075	0.59	9,188,365	0.59
Granted	23,255	1.29	22,988	1.30
Exercised	(1,814,592)	0.41	(1,991,278)	0.61
Balance, end	5,428,738	0.66	7,220,075	0.59
Balance, end exercisable	5,428,738	0.66	7,220,075	0.59

From the options exercised during the year ended December 31, 2025, 984,450 shares (948,347 for the year ended December 31, 2024) were withheld to cover the stock option grant price and related taxes.

Stock options outstanding and exercisable as at December 31, 2025 are as follows:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		\$	
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
23,255	23,255	1.29	September 22, 2030
5,428,738	5,428,738		

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17. STOCK-BASED COMPENSATION (Cont'd)

17.2 Restricted Share Unit

17.2.1 Description

Conditional awards with market-based conditions

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

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

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

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

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

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

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

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

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

On August 14, 2024, the Corporation granted a new conditional award under a separate RSU plan to the Corporation's newly appointed Chief Financial Officer. This award entitles the participant to receive a 12% share of a pool defined by the total shareholder value created above a 10% per annum compound hurdle rate. Performance is measured from August 6, 2024, to the measurement date on December 31, 2025 (note 17.2.4).

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17. STOCK-BASED COMPENSATION (Cont'd)

Awards with service conditions

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 September 8, 2025, the Corporation granted new RSUs to its employees. The awards will vest on September 8, 2026, the one-year anniversary of the grant, with all other terms governed by the RSU Plan.

On October 3, 2025, the Corporation granted new RSUs to its employees. The awards will vest on December 31, 2026, 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.

On November and December 2025, 753,449 restricted shares vested and were converted to common shares and transferred to capital stock.

17.2.2 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.

17.2.3 Conditional Award under RSU Plan 2023

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

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

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17. STOCK-BASED COMPENSATION (Cont'd)

17.2.4 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)

17.2.5 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 (see note 17.2.6). As a result of the departure, previously recognised RSU award vesting charges of \$566,875 were reversed and the percentage of the pool that was allocated was reduced to 70%.

During August 2024, new awards granted to the CFO increased the percentage of the pool that was allocated to 82%.

A charge of \$2,933,655 was recorded during the year ended December 31, 2025, (a charge of \$2,028,692 was recorded during the year ended December 31, 2024).

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17. STOCK-BASED COMPENSATION (Cont'd)

The fair value of the 2022, 2023 and 2024 conditional RSU awards with market conditions 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, as shown below.

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)	\$6,560,000

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.

17.2.6 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 17.2), 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	Eldur Olafsson, CEO 40% 3,805,377 shares
Number of shares subject to RSU	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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17. 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 17.2), 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
Second	31 December 2024		
Measurement Date:	50% of the Shares will vest on the first anniversary of grant, with the remaining 50% vesting on the second anniversary of grant.		

18. CAPITAL MANAGEMENT

The capital of the Corporation consists of the items included in equity and balances thereof and changes therein are depicted in the consolidated statement of changes in equity.

The Corporation's objectives are to safeguard its ability to continue as a going concern in order to pursue its operational, exploration and evaluation activities, while maintaining a flexible capital structure that optimizes the cost of capital at an acceptable level of risk. The Corporation manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of its underlying assets.

With the commencement of operations at the Nalunaq mine, the Corporation has begun generating operating revenues. To maintain or adjust its capital structure, the Corporation may also issue new shares, incur or refinance debt, acquire or dispose of assets, or adjust its cash balances as appropriate. The Corporation is subject to a minimum equity ratio requirement under its debt facilities and was in compliance with this requirement at the reporting date. The Corporation will also be subject to EBITDA requirements during 2026 under its debt facilities. Other than this requirement, the Corporation is not subject to externally imposed restrictions on capital.

19. EMPLOYEE REMUNERATION

Salaries

	2025	2024
	\$	\$
Salaries	6,367,661	6,885,184
Director's fees	584,897	636,000
Benefits	929,574	413,824
	7,882,132	7,935,008
Less: salaries and benefits presented in E&E expenses	(941,736)	(700,122)
Salaries and directors' fees disclosed in general and administrative expenses	6,940,396	7,234,886

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20. EXPLORATION AND EVALUATION EXPENSES

2025	Nalunaq	Vagar	Nuna Nutaag	Tartoq	Siku	Anoritooq	Black Angel	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Geology	1,460,824	52,493	-	-	-	-	-	1,513,317
Lodging and on-site support	87,406	12,212	286,061	-	105,483	62,665	-	553,827
Underground works	-	71,402	839,726	-	761,382	452,318	-	2,124,828
Drilling	23,425	-	1,447,660	-	-	-	-	1,471,085
Analysis	36,685	787,019	28,696	291	-	-	5,828	858,519
Geophysical Survey	-	190,780	-	-	-	-	-	190,780
Transport	56,447	64,329	914,742	-	-	-	3,402	1,038,920
Supplies and equipment	269,196	-	277,266	-	-	-	-	546,462
Helicopter Charter	-	248,686	1,647,959	-	78,753	46,785	92,832	2,115,015
Logistics support	-	437,009	-	-	-	-	-	437,009
Maintenance infrastructure	229	1,087	20,856	-	-	-	-	22,172
Project Engineering	-	5,114	13	-	12	7	-	5,146
Government fees	6,921	8,527	(1,047)	9,574	-	-	10,183	34,158
Exploration and evaluation expenses before depreciation	1,941,133	1,878,658	5,461,932	9,865	945,630	561,775	112,245	10,911,238
Depreciation	-	-	-	-	-	-	-	-
Exploration and evaluation expenses	1,941,133	1,878,658	5,461,932	9,865	945,630	561,775	112,245	10,911,238

2024	Nalunaq	Vagar	Nuna Nutaag	Tartoq	Siku	Anoritooq	Total
	\$	\$	\$	\$	\$	\$	\$
Geology	685,994	-	-	-	-	-	685,994
Lodging and on-site support	286,019	-	-	-	-	-	286,019
Drilling	60,000	-	114,209	-	-	-	174,209
Analysis	141,466	-	43,641	-	-	-	185,107
Transport	(60,296)	(3,922)	143,675	-	-	-	79,457
Supplies and equipment	229,179	-	2,344	-	-	-	231,523
Helicopter Charter	-	-	147,894	-	-	-	147,894
Maintenance infrastructure	363,333	4,131	187	189	189	189	368,218
Government fees	15,976	16,312	-	8,722	-	-	41,010
Exploration and evaluation expenses before depreciation	1,721,671	16,521	451,950	8,911	189	189	2,199,431
Depreciation	682,661	-	-	-	-	-	682,661
Exploration and evaluation expenses	2,404,332	16,521	451,950	8,911	189	189	2,882,092

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21. GENERAL AND ADMINISTRATION

	2025	2024
	\$	\$
Salaries and benefits	6,355,499	6,598,886
Director's fees	584,897	636,000
Professional fees	3,481,844	3,665,043
Marketing and investor relations	802,455	724,012
Insurance	485,481	319,988
Travel and other expenses	2,774,806	2,286,142
Regulatory fees	1,297,901	1,068,200
General and administration before following elements	15,782,883	15,298,271
Stock-based compensation (note 17.1 and 17.2)	2,960,936	2,047,386
Depreciation	213,256	176,073
General and administration	18,957,075	17,521,730

22. FINANCE COSTS

	2025	2024
	\$	\$
Lease interest (note 14)	27,264	36,415
Accretion of discount on asset retirement obligation	487,115	420,639
Other finance costs	794,100	126,885
	1,308,479	583,939

23. INCOME TAXES

Tax expense differs from the amount computed by applying the combined Canadian Statutory and Greenlandic income tax rates, applicable to the Corporation, to the loss before income taxes due to the following:

	2025	2024
	\$	\$
Net loss before income taxes	(18,600,985)	(23,456,138)
Income tax rates	26.5%	26.5%
Income tax recovery	(4,929,261)	(6,215,877)
Increase (decrease) attributable to:		
Non deductible expenses	883,139	912,065
Difference in statutory tax rate	131,273	347,016
Changes in unrecognized deferred tax assets	3,914,849	4,956,796
Tax recovery	-	-

The analysis of the Corporation's deferred tax assets and liabilities as at December 31, 2025 and 2024 is as follows:

	2025	2024
	\$	\$
Deferred tax assets (liabilities):		
Capital assets	(2,026,456)	(858,690)
Non-capital losses	2,026,456	858,690
	-	-

The Corporation records deferred income tax assets to the extent that it is probable that sufficient taxable income will be realized during the carry-forward period to utilize these net future tax assets.

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23. INCOME TAXES (Cont'd)

The significant components of deductible temporary differences and unused tax losses for which the benefits have not been recorded on the consolidated statement of financial position as at December 31, 2025 are as follows:

Greenland	As at December 31, 2025
	\$
Non-capital losses carry forwards	133,675,960

As the Corporation is a mineral licence holder, the non-capital losses in Greenland have no expiration date.

Canada	As at December 31, 2025
	\$
Non-capital losses carry forwards expiring in 2038	965,032
Non-capital losses carry forwards expiring in 2039	1,272,338
Non-capital losses carry forwards expiring in 2040	1,210,348
Non-capital losses carry forwards expiring in 2041	5,622,490
Non-capital losses carry forwards expiring in 2042	8,261,231
Non-capital losses carry forwards expiring in 2043	7,680,772
Non-capital losses carry forwards expiring in 2044	10,256,297
Non-capital losses carry forwards expiring in 2045	222,874
Non-capital losses carry forwards expiring in 2046	9,418,767

24. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

24.1 Gardaq Joint Venture

	2025	2024
	\$	\$
Gardaq management fees and allocated cost	2,496,884	2,453,361
Other allocated costs	23,006	460,568
Foreign exchange revaluation	(243,354)	263,312
	2,276,536	3,177,241

As at December 31, 2025, the balance receivable from Gardaq amounted to \$8,975,715 (\$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 9.1).

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24. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (Cont'd)

On November 14, 2025, the Corporation entered into a new lease agreement with the company Klettur Investments ehf. for the rental of its existing office premises in Reykjavik, Iceland. The Agreement is a continuation of the rental relationship previously established between the parties. The premises accommodate Amaroq's expanding Icelandic team and support the Corporation's continued growth in operational, administrative, and corporate functions. Klettur Investments ehf. is a related party of Amaroq as it is a company controlled by Sigurbjorn Thorkelsson, Non-Executive Director. The Agreement is for an indefinite period effective from September 1, 2025. The Corporation can terminate the lease at any time with no penalty. The Corporation will pay a monthly rent of 2,000,000 ISK (\$22,000), to be adjusted in accordance with changes in the consumer price index as published monthly by Statistics Iceland (Hagstofa Íslands).

24.2 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 Interim Chief Operating Officer, the Chief Corporate Development & Strategy Officer and the Vice President of Exploration. Key management compensation is as follows:

	2025	2024
	\$	\$
Short-term benefits		
Salaries and benefits	3,565,847	3,027,102
Director's fees	584,897	636,000
Long-term benefits		
Stock-based compensation	-	2,143
Stock-based compensation - RSU	1,491,300	1,333,500
Total compensation	5,642,044	4,998,745

Key management are subject to employment agreements which provide for termination payments, in circumstances of termination without cause or following a change of control, providing for payments up to one year of base salary.

The compensation of directors is as follows:

	2025			2024		
	Short-term benefits ^(a)	Stock-based compensation	Total compensation	Short-term benefits ^(a)	Stock-based compensation	Total compensation
	\$	\$	\$	\$	\$	\$
Eldur Olafsson	1,483,861	-	1,483,861	1,427,372	-	1,427,372
Jaco Crouse	-	-	-	206,612	-	206,612
Graham Stewart	181,000	-	181,000	181,000	-	181,000
Sigurbjorn Thorkelsson	86,000	-	86,000	86,000	-	86,000
Liane Kelly	42,897	-	42,897	94,000	-	94,000
Line Frederiksen	86,000	-	86,000	86,000	-	86,000
David Neuhauser	86,000	-	86,000	86,000	-	86,000
Warwick Morley-Jepson	103,000	-	103,000	103,000	-	103,000
Total compensation	2,068,758	-	2,068,758	2,269,984	-	2,269,984

(a) Short-term benefits comprise salary, director fees as applicable, annual bonus and pension

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24. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (Cont'd)

During 2025 and 2024 certain directors acquired additional shares (net of shares withheld) by exercising their options. During 2025, no directors participated in the June 30, 2025 fundraising. During 2024, the directors participated in the February 23, 2024 and December 4, 2024 fundraising for \$6,250,000. The director participation is as follows:

	2025	2024
	Number of new shares	Number of new shares
Eldur Olafsson	-	582,690
Sigurbjorn Thorkelsson	-	3,865,382
David Neuhauser	-	116,538
Total	-	4,564,610

25. 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 years ended December 31, 2025 and 2024, 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 years.

	2025	2024
	\$	\$
Net loss and comprehensive loss	(18,600,985)	(23,456,138)
Weighted average number of common shares outstanding - basic	427,557,914	329,948,183
Weighted average number of common shares outstanding – diluted	427,557,914	329,948,183
Basic earning (loss) per share	(0.044)	(0.071)
Diluted earning (loss) per common share	(0.044)	(0.071)

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a summary of the Corporation's exposure to and concentrations of risk at December 31, 2025:

26.1 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.

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26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

26.2 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:

	December 31, 2025	December 31, 2024
	\$	\$
Cash	21,546,829	45,193,670
Deposit	180,066	181,871
Interest receivable	107,500	114,064
Financial Asset – Related Party	8,975,715	6,699,179
Accounts payable and accrued liabilities	(20,356,440)	(18,233,113)
Loans payable	(42,229,853)	(28,621,732)
Lease liabilities	(311,727)	(710,713)

Due to the short-term maturities of cash, financial asset – related party, 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 loans payable approximates their fair value, as the loans were entered into within the past 12 months and subsequently amended towards the end of the 2025 financial year to reflect updated interest margins, which are considered representative of the Corporation's borrowing rate at the reporting date.

The carrying value of lease liabilities approximate its fair value based upon a discounted cash flow method using a discount rate that reflects the Corporation's borrowing rate at the end of the period.

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26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

26.3 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. The Corporation manages liquidity risk by maintaining adequate cash balances, forecasting cash flows and securing appropriate financing arrangements when required. The Corporation's options to enhance liquidity include the issuance of new equity instruments or debt.

The following table summarizes the contractual maturities of financial liabilities:

	As at December 31, 2025			As at December 31, 2024		
	Accounts payable and accrued liabilities	Loan payable	Lease liabilities	Accounts payable and accrued liabilities	Loan payable	Lease liabilities
	\$	\$	\$	\$	\$	\$
Within 1 year	20,356,440	-	213,628	18,233,113	28,621,732	150,850
1 to 5 years	-	55,386,079	125,606	-	-	535,028
5 to 10 years	-	-	-	-	-	126,975
Total	20,356,440	55,386,079	339,234	18,233,113	28,621,732	812,853

The Corporation has assessed that it is not exposed to significant liquidity risk, supported by its cash balance of \$21,546,829, the availability of undrawn credit facilities at the end of the period, and forecasted operating cash flow generation in 2026.

26.4 Currency risk

As at December 31, 2025 and 2024, a portion of the Corporation's transactions are denominated in DKK, Euros, US\$, ISK and British Pounds (GBP) to the extent such currencies are different from the relevant group entities' functional currency.

The Corporation had the following balances in currencies:

As at December 31, 2025	In DKK	In Euros	In ISK	In US\$	In GBP
Cash	9,602,114	60,994	5,750,636	13,226,992	185,345
Escrow account for closure obligations	41,929,461	-	-	-	-
Prepaid expenses and others	6,594,194	1,953,239	1,095,574	626,453	44,488
Trade and other payables	(16,428,110)	(624,803)	(115,593,441)	(264,529)	(95,507)
Loans payable	-	-	-	(30,808,520)	-
	41,697,659	1,389,430	(108,747,231)	(17,219,604)	134,326
Exchange rate	0.2154	1.6091	0.0109	1.3707	1.8443
Equivalent to CAD	8,983,302	2,235,787	(1,186,084)	(23,603,255)	247,737

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26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Based on the above net exposures as at December 31, 2025, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the Canadian dollar against the DKK, Euro, ISK, US\$ and GBP by 10% would decrease/increase profit or loss by \$1,322,251.

As at December 31, 2024	In DKK	In Euros	In ISK	In US\$	In GBP
Cash	1,500,506	2,308,132	1,632,691,509	3,847,696	7,677,255
Escrow account for closure obligations	33,971,059	-	-	-	-
Prepaid expenses and others	2,309,594	1,454,263	-	2,934,987	29,235
Trade and other payables	(15,593,843)	(4,971,848)	(48,344,215)	(298,509)	(166,732)
Loans payable	-	-	-	(19,896,168)	-
	22,187,316	(1,209,453)	1,584,347,294	(13,411,994)	7,539,758
Exchange rate	0.2009	1.4986	0.0104	1.4386	1.8079
Equivalent to CAD	4,458,131	(1,812,457)	16,505,578	(19,293,891)	13,630,856

Based on the above net exposures as at December 31, 2024, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the Canadian dollar against the DKK, Euro, ISK, US\$ and GBP by 10% would decrease/increase profit or loss by \$1,271,588.

26.4 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Corporation's exposure to interest rate risk arises primarily from its variable-rate borrowings, where interest is based on a floating benchmark rate (SOFR) plus an applicable margin. Changes in benchmark interest rates may therefore affect the Corporation's financing costs and future cash flows.

The Corporation also holds cash balances with financial institutions which earn interest at variable rates and may partially offset exposure to variable-rate borrowings. The Corporation monitors interest rate movements on an ongoing basis and manages its exposure through the structure and terms of its debt facilities and by maintaining adequate liquidity. At the reporting date, management does not consider the Corporation to be exposed to significant interest rate risk.

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(In Canadian Dollars, except as otherwise noted)

27 SUBSEQUENT EVENTS

27.1 Vesting and new awards under the RSU Plan

February 12, 2026 certain restricted share units vested and new awards were granted under the RSU Plan.

Vesting of the RSU

Following the release made on February 12, 2025 regarding the granting of an award (the "Award") to directors and employees in line with the Corporation's RSU Plan, a total of 1,792,236 RSUs (representing 50% of the Award) have vested. This includes allocations to Eldur Olafsson (Director and CEO) and Joan Plant (Interim COO), bringing their total holdings to 17,055,825 and 551,007 shares, respectively. The remaining 50% of shares will vest on the second anniversary of the grant date.

Awards of the RSU

The Corporation announces that on February 12, 2026, in accordance with the RSU Plan, it granted awards to certain directors and employees, details of which are set out below.

Award Date	February 12, 2026		
Initial Price	CAD 1.04 in respect of Ellert Arnarson and CAD 0.552 in respect of the other participants.		
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%	227,824 shares
	Ellert Arnarson, CFO	12%	1,214,048 shares
	Joan Plant, Interim COO	10%	56,956 shares
	James Gilbertson, VP Exploration	10%	56,956 shares
	Edward Wyvill, Corporate Development	10%	56,956 shares
Measurement Date:	31 December 2025		
	100% of the Shares will vest on the first anniversary of grant.		

In addition to the awards described above, 69,476 RSUs were also granted to personnel under the RSU Plan, all of which will vest on the first anniversary of the grant date.

27.2 Intention to transition to the Main Market of the London Stock Exchange and Voluntary Delisting from the TSX Venture Exchange

On February 18, 2026, the Corporation announced its intention to transition to the Main Market of the London Stock Exchange in 2026 and the appointment of Citigroup Global Markets Limited as sponsor and financial adviser in connection with the process. The Corporation also announced its intention to voluntarily delist from the TSX Venture Exchange, with the delisting becoming effective at the close of trading on March 19, 2026.